

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2308] NEW SERIES Vol. LX. No. 5. THURSDAY, DECEMBER 3, 1936. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

A PAUSE TO LOOK ROUND

"The New Age" is abridged this week. The reason is that the Editor's personal attention has been diverted to matters arising out of the situation that has developed since the York Conference. (Students of Finance are invited to note that the reduction in the size of this paper by fifty per cent. saves fifteen per cent. of the cost—equivalent to a discount of only one penny on each copy.) The nature of the matters referred to will be gathered from the article following the "Notes," in which interim decisions and recommendations are outlined. The object of these is to put the Editor in a position to perform his traditional task free from intellectual distractions and financial embarrassments. The question of whether he or "The New Age" should be "controlled" is an open question with him, depending on the credentials and qualifications of the controllers.

NOTES OF THE WEEK.

The following letter appeared in the *News Chronicle* of November 24, 1936.

DISTRESSED AREAS.

I am a machine tool manufacturer of over thirty years' standing, and my specialities are keeping two manufacturing firms busy.

I find myself under the necessity of starting a new factory to meet the demand for my other specialities and was informed that if I took this business to the distressed areas I should receive assistance by the provision of a suitable works at a low rental and the loan of a small amount of capital on easy terms.

On investigation I found that the rental of the works was to be 6 per cent. on the capital cost, which is certainly not low, though not prohibitive; but that the capital loan was only to be made, if at all, on a debenture covering the whole assets, plus a life assurance.

This means that other moneys introduced are entirely without security and therefore not to be obtained, and that the only source of extension is from profits, which are swallowed up by the interest and repayment of the loan for many years.

The consequence is that instead of being able to employ a very considerable number of men as fast as they can be trained I should only be able to employ a mere handful for many years, not enough to warrant the risks of transferring my key men to a new district.

EMPLOYER.

This letter reveals the dilemma created by the conflict of objectives as between the bankers on the one hand and statesmen on the other. The only way of relieving distress in a given area is to circulate more money in that area, unless, of course, you relieve the distress by deporting the distressed to some other area.

We record this proviso because complaints are current in certain parts of London that people from the distressed areas in Wales have for a considerable time been invading the London labour market. It is alleged that these Welshmen (a) take jobs here at cut wages, and that (b) if and when they return to Wales they are regarded by the relieving-authorities as naturalised Londoners, and, as such, only entitled to temporary local assistance. The complaint, in short, is that Wales is being billeted on London. Whether this is true to any wide extent it is impossible to verify except by reference to the statistics of population in the distressed areas of Wales. But that recourse to such a policy in Wales is antecedently probable is unquestionable. In the international field every country would like to get rid of its unemployed through emigration; and there is every reason to suppose that local authorities in this country are in favour of that device, which, of course, is easier to adopt because of the absence of immigration regulations such as national governments impose on "foreigners."

Leaving this aside, the evidence given in the above letter shows that the assistance given to a business enterprise to operate in a distressed area is attended by conditions which frustrate the object for which it is asked to operate there. From what the writer says, he is obliged to borrow at 6 per cent. and to provide for interest and repayment from the commencement. Yet probably not more than a small fraction of the borrowed money would be expended in the area in question. The plant, equipment and so on would be dumped into the area from outside, and the money representing its value would be kept outside. Again, under the "debenture" condition, some bank or other financial institution would own the enterprise, and would control its expenditure and its accounting thereof into prices. The control from such a source is bound to be exercised in the direction of preventing, not assist-

ing, the diffusion of purchasing power by that enterprise. In other words insofar as that enterprise relieved distress it would risk being served with a Distress Warrant! Postulating that the existing credit-system is not altered, some temporary relief would be possible if the capital-plus-interest payments were excused for a term of years; for then the equivalent money could be paid in providing employment in the area. That might, and probably would, create difficulties, but at least the immediate purpose of starting the new enterprise would have been served.

* * *

As things are, relief to the distressed *via* the employment-system is eventually no relief at all, and in fact may develop into increased distress. Relief in general, under the rules of Finance necessitates progressive inflation in general; new money must appear in circulation among consumers at a rate sufficient to keep their purses in front of rising prices. Directly that process stops, relief stops. A deflationary situation is at once precipitated—and Deflation and Distress are mutually convertible terms.

* * *

It will be noted that under the conditions imposed on the above "Employer," he would be obliged to charge Capital into Prices. The institution holding the debenture would be collecting back its investment, unlike subscribers of ordinary capital who let it remain and trust in Providence for a dividend. Further, the Life Assurance Company would be collecting premiums in respect of this "Employer's" policy—and he would have to charge those items in his prices.

* * *

This imposes a handicap on the enterprise in competition with others in the same line of business. The only way in which it can survive that handicap is to cut down its wage-and-salary bill by a sum at least equal to the excess of its overheads over those of its competitors. It cannot cut *rates* of wages and salaries below those paid elsewhere without getting into trouble externally with trade unions, or internally with its employees—not to speak of the inefficiency of underpaid labour. If *rates* must not be cut, the only alternative is to employ the least number of wage-and-salary earners paid at those rates. That can only be done by installing the latest labour-saving plant and equipment, so that the value of output per man employed shall be a greater multiple of the wages he draws. Now, the greater the labour-saving efficiency of any plant the higher the price that has to be paid for it. Take, as an instance, calculating machines such as are now installed by banks, insurance companies, etc. The makers (who own the patents) naturally charge all that the machines will fetch; and what they will fetch depends upon how many employees the banks and insurance companies can evict by using them. And so with every other type of labour-saving equipment.

* * *

If you work out this circular problem you will find in the end that any enterprise started under the conditions described by the writer of the above letter will not be able to survive except by devices which will add to the distress of the distressed area wherein it operates. And speaking generally of the scheme as it applies to the country at large, the benevolent intentions of the statesmen are bound to be frustrated by the maleficent consequences of the bankers' financial regulations.

The York Clearing-House.

No More Public Disputation.

A Committee of Privileges.

Diversion of Money by Direct Subscriptions to "The New Age."

The York Conference has served a purpose which every Social Creditor must applaud. It has taken a step which can put an end to the necessity for Social Credit journals to debate differences on policy. That Credit is the institution of a representative Liaison Committee. That Committee is able to function as a Clearing House for views on actionist policy, and also as a judicial authority which can apply the rules of Fair Play to persons or groups in their relations with each other. It can serve both these functions best by first formulating a frank and unequivocal statement of its policy. For most of the unrest in the Movement hitherto can be traced to uncertainty on the part of these persons or groups as to the intentions of their national official leaders and of the intentions of each other. The question of what the Committee's policy may be is of less importance than that of the clarity with which the policy is declared.

The Editor of THE NEW AGE has been the "worst offender" in the matter of giving publicity to disputes. The prime cause of this is that there has been no impartial authority to whom he could apply for a ruling on matters at issue between himself and others. Hence he has had to lay these questions before readers of THE NEW AGE. Since upon these questions depended the survival or extinction of this journal it was impossible for him to keep silent on them.

There is now a bright prospect of his being freed from this distasteful task, and of THE NEW AGE's reverting to its proper function of directing all its attacks against the common enemy in the way which members of the Movement used to approve, and still approve.

The controversial matters published in THE NEW AGE since the York Conference have been recorded and discussed with the sole view of securing equality of opportunity for this journal to perform its essential service alongside its contemporaries. Their publication has elicited assurances (both public and private) that the Liaison Committee will function as a judicial body—after the model of the Committee of Privileges of the House of Commons—whenever matters arise affecting the internal relations of the Movement.

That being so, all groups and journals can concentrate on constructive suggestion without the admixture of destructive criticism insofar as they publicly discuss each other's policies and plans.

THE NEW AGE can claim always to have acted in a manner befitting the pioneer organ of the Movement. For as and when new journals were launched THE NEW AGE gave them immediate, prominent and sympathetic publicity without conditions of any sort, financial or otherwise. The same with organisations formed to

further the Social Credit objective. In every case readers of THE NEW AGE were promptly informed of what they were and what they stood for. It is true that sometimes THE NEW AGE expressed its dissent from what they wanted to do or how they thought they could do it; but in every case the organisation so criticised was identified—that is, advertised. Because of that, such an organisation was presented with the right of reply in the columns of THE NEW AGE. And, for the same reason, readers of this journal who thought the criticism unconvincing were enabled to refer it to the organisers in question. They were not left bewildered by dark insinuations directed against undefined bodies. Further, as showing the disinterestedness of THE NEW AGE, the fact stands out that this journal has shown its greatest sympathy for policies whose promoters were least able to render it support. THE NEW AGE has never elected to shout with the Big Money against the Little Money on calculations of a commercial order, but solely with what it has thought right or wrong in policies or procedures, irrespective of the financial standing of those behind them. Lastly, the Editor of THE NEW AGE has been personally accessible at the New Age Club to all comers, hostile or friendly, three nights a week for the past ten years, and has never declined to explain or defend his policy when required.

THE NEW AGE commands respect also outside the Movement, because it has given publicity to authoritative criticism of the Social Credit Analysis and Formula.*

It can be added, in conclusion, that the influence of THE NEW AGE extends far outside the immediate circle of its readers. Many of its articles have been reproduced in Social Credit and other reformist journals in this country and overseas; and of certain articles the editor has at times received private assurances from editors of well-established general newspapers that they have been of value to them in developing their own policies. As a recent instance, the publication of the Appeal in the House of Lords on the Waterlow Action was considered to be an invaluable service by a well-known newspaper proprietor, who wrote privately to say so.

Now the object of recapitulating these facts is to establish grounds on which THE NEW AGE may claim the sympathy and support of all persons and bodies who are working to get Social Credit adopted, irrespective of how they are working. Now that public disputations about actionist methods are in process of elimination from Social Credit journals, there will be no reason why THE NEW AGE should not find favour in every section of the Movement.

As a matter of fact two items of news appear, one in a Liverpool daily newspaper and the other in the Secretariat's organ *Social Credit*, which are signs of a closer approximation of the Secretariat's policy to the standpoint held by THE NEW AGE and, more recently, by the York Conference. The first is an advertisement announcing that on January 15, 1937, will commence at the University of Liverpool "a course of lectures leading to the Examination for the Diploma of Associateship" of the "Lectures and Studies Section of the Liverpool Social Credit Association," which is "affiliated to the Social Credit Secretariat, Ltd." The second item is a

*Letters of appreciation from the "enemy" are on the files of THE NEW AGE in respect of its policy of allowing publicity to criticism.

letter from a group-leader in Cardiff stating that his group are not merely canvassing for pledge-signatures as originally provided, but are re-canvassing the signatories to secure new permanent subscribers to the Secretariat's organ, *Social Credit*.

These news-items respectively show that the Secretariat officially recognises the principle of enrolling students of Social Credit technique, and also the principle of canvassing to recruit members of local groups. This is manifestly logical and feasible. It marks the sensible policy of attracting to the groups officers and privates at one and the same time. This policy will carry the approval of all sections of the Movement. The Green Shirts have always acted on the principle that new members of the rank and file shall be put through a course of training, and that promotion from the ranks shall depend upon response to the training. The training is not confined to Social Credit technique (for a section-leader must have other qualifications besides knowledge of monetary theory and practice) but includes it. So in the Green Shirt Movement every leader, according to his rank, is, in his degree, someone able to answer questions as well as to give orders. The newest recruit, according to his intelligence, is enabled to give reasoned assent to the general policy of the Green Shirt Movement and to the particular plans and tasks decided upon to implement that policy.

Another easement of the situation inside the Movement is foreshadowed by the more frequent appearances of Major Douglas on the public platform. Hitherto many workers have had the feeling that the organising of public meetings was officially deprecated as a diffusion of effort which might otherwise be directed to the prosecution of the electoral campaign. They need no longer have that feeling. It is becoming recognised that the public meeting, the study class, and the canvassing plan, are mutually complementary. Differences of view on their comparative merits may exist but if they cannot be reconciled there is no harm done by "agreement to differ."

Now the foregoing comments have an immediate bearing on the policy of THE NEW AGE. It can now retire from the field of controversy about internal policy, in the hope that nothing will transpire to call it back. During the last two years or more it has said everything that is necessary for the guidance of those immediately interested in problems of action. It will still act as a vehicle for authoritative statements on such problems from responsible bodies who wish them published. There are now three bodies potentially able to produce a plan for directing the activities of the Movement—the Secretariat, the Social Credit Party, and the (as yet unformed) Social Credit Federation. Nothing that can now be said in THE NEW AGE can, *by being said therein*, affect the outcome of their possible negotiations with each other or of their competitive appeals for adherents. The circulation of THE NEW AGE is too small; and the majority of its readers are not interested—or, if they are, are perfectly able to form their judgments by reference to the facts and arguments with which they have been plied (not to say bored!) in this journal.

What they want is a revival of the old policy of bombarding the bankers' stronghold by the dual method of technical education and political interpretation. In short, the relation of events to the flaw in the financial system. Readers with insight will recognise that no one person (and THE NEW AGE is conducted by one person)

can do equal justice to the inner and outer politics of the Movement at the same time and for an indefinite period of time. Apart from alienating financial support without gaining any (for nobody is willing to "finance a civil war," as a friend in Glasgow acutely remarked once) the dual task imposes a mental and physical strain of which the cumulative effects must end in a breakdown. Fortunately the holding of the York Conference has spared the Editor that kind of penalty. It is to be hoped that the new situation thereby created will spare him any penalty at all.

If so, there are certain things to be done, and promptly.

1. More readers must respond to the Guarantee Appeal. Contingently there is about £200 in prospect provided another £300 is promised.

2. Readers who buy copies through the trade must tolerate the inconvenience of subscribing direct. THE NEW AGE will be made a subscription organ at the current rate of 30s. per annum.

3. Readers are urged to take advantage of the standing offer to send copies to people named by them. This will widen the influence, if not the circulation, of THE NEW AGE.

Regarding item No. 2 above, it should be noted that when copies are bought through the trade the discounts and expenses amount to a deduction of something like 12s. from the 30s. they part with. Readers, by changing their method of subscribing, will be applying the principle of *diversion* advocated by Mr. Golder (in reference to taxation) without expense to themselves.

As to Mr. Golder's own proposition, this will not relieve the financial situation until later. It will depend upon the way in which it is received.

A remark may be made here, namely that many so-called "reclaimers" of income-tax play on both sides. Sometimes a taxpayer who wants relief submits information which shows him to have been under-paying; and the professional expert knows very well that he can get a reward from the taxing authorities by disclosing such information. Apart from that, the disclosure of one man's figures may let in another man in the same way. Nevertheless, *legal avoidance of taxation is now a duty*, not merely a right. So Mr. Golder's offer, coming as it does from one who has no truck with the system of legalised robbery called taxation, is one to be seriously considered.

Under item No. 3, readers are invited to "adopt" Members of Parliament in the sense of naming Members whom they wish to receive THE NEW AGE. If names are duplicated correspondents will be advised so that they may make a second choice. They can leave the choice to the Editor of THE NEW AGE if they like. Since the Secretariat regard the House of Commons as the key to the problem of exercising pressure, the distribution of THE NEW AGE to the whole body of Members is unquestionably an ideal to be aimed at, having regard to the consideration that the greater the number of Members nominated by correspondents the more the contents of THE NEW AGE would be made applicable to the duty which is being urged upon them by the Secretariat through the Electoral Campaign and otherwise. As was made clear in the "Notes of the Week" last week, the Editor of THE NEW AGE is wholeheartedly behind the Secretariat in their insistence on the "Delegation" principle's being observed by Members in respect of the *Demand for the Dividend*, and the demand for the *Priority of that Demand* over all other legislation. And

not only the Editor of THE NEW AGE, but every Social Creditor in every section of the Movement. For no Member of Parliament can serve God and Mammon—and he is obliged to serve one of the two. There can be no compromise. Either he must act as if he were consciously obeying the orders of the Social Credit Movement, or else he must act as if he were consciously obeying the orders of the Money Monopoly. He must be a legislator for his King and Country or else he will be a legislator for a Cosmopolitan Basle Republic.

This last sentence may sound cryptic to some readers. But here comes a curious incident which the Editor of THE NEW AGE encountered recently. A knot of workmen were wrangling about something; and out of the tangle of disputation there dropped a lonely aphoristic thread: "After all, the King of England is the only King wot as got any power left . . . A pint o' Burton boss." (The last being addressed to the landlord.) With the exception of the Japanese Emperor this is literally true.

The applicability of that chance remark to the inner counsels of State last week is at the moment not a matter that can be explained in print. But a hint may be dropped that the British Monarchy, *as an institution*, is being obliquely assailed by the Elders of the Basle Republic.

PEACE BEGINS AT HOME

SOCIAL CREDIT

AS A

CONSTITUTIONAL
ISSUE

BRITONS UNITE FOR NATIONAL
DEFENCE

RESIST INVERSION BEFORE
INVASION

SEE CREDIT POWER
A JOURNAL OF SOCIAL DYNAMICS

Edited by J. GOLDER, M.I.Mech.E.

No. 32. November Issue. TWOPENCE

Post Free in Britain only THREEPENCE
Distributing Office: 70, High Holborn, London, W.C.1.

Public Meetings.

December 2.—Social Credit Party of Great Britain. Lecture at 8 p.m., at Headquarters, 44, Little Britain.
December 4.—Newcastle Social Credit Group. Meeting at 7.30 p.m., at Connaught Hall, Newcastle.
December 4.—London Social Credit Club. Meeting at 8 p.m., at Blewcoat Room, Caxton Street, Westminster.

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1, England (Telephone: Chancery 8470), and printed for him by THE AMBITIOUS PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4. (Telephone: Central 3701).