

# THE NEW AGE

INCORPORATING "CREDIT POWER."  
ORGAN OF THE NEW AGE SOCIAL CREDIT SOCIETY

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## CONTENTS.

	PAGE		PAGE
"THE NEW AGE." NOTICE . . . . .	93	BOOKS TO READ. By "Pakeha" . . . . .	95
TRADE AND THE FLAG . . . . .	93	TRADE IMPROVEMENT. By W. R. White . . . . .	96
Financial background to the Anglo-Italian problem—international scramble for credit-balances through exports. . . . .	94	Prize-winning paper as adjudged by the Worshipful Company of Armourers and Braziers. . . . .	96
CLASSIFICATION OF PRODUCTION . . . . .	94	THE EDEN-CHAMBERLAIN SPLIT . . . . .	96
Fixed, Floating, and Disposable Capital. . . . .	95	WEEK-END CABINET CRISIS . . . . .	
LEDGERS FOR ALL. By H. E. B. . . . .	95	Social Credit Party's telegrams to leading figures in Parliament. . . . .	

## "THE NEW AGE"

### NOTICE.

Editorial comments are curtailed this week owing to the writer's being called out of Town suddenly on account of a family bereavement.

In any case the present issue would have been of small compass because the issues of the last six weeks have run to a larger aggregate of pages than have been covered by ordinary revenue, even with the special conditional subsidies to which reference was made a week or two ago.

This difficulty is not peculiar to "The New Age" except in degree. The problem of making both ends meet round an adequate service to supporters of Social Credit and to the general public is admittedly facing every organisation and journal functioning under the auspices of the Movement.

During the current week this general problem, as it affects "The New Age," will be reviewed by an informal committee of responsible Social Credit workers, and the result will be notified to readers as soon as possible.

The primary question to be gone into is this: Whether the existence of "The New Age" itself is regarded by other bodies in the Movement as hampering their activities; and, if so, in what way which could be avoided without compromising any deep principle commonly accepted by upholders of the original Social Credit proposals as the instrument of economic emancipation. This excludes the factor of finance, because naturally if the revenues collected by "The New Age" were set free by reason of the closing down of this journal, there would be so much the more money potentially available for division among other bodies. The real question, if money is taken into account, is whether this money, if set free, could be spent more profitably by such other bodies as secured the reversion.

What weighs with friends and advisers of "The New Age" is the fact that in spite of all the faults that it may have exhibited in its conduct, the support that it still receives (and the tributes which accompany it) strongly suggests that the cessation of its service would, in their opinion, be a disaster. The fact that those who hold this view are collectively not wealthy enough to establish the security of "The New Age" out of their own resources is, of course, irrelevant to the question of whether their view is worth respecting. A division list based on the enumeration of pass-book balances is not congruous with the spirit of the Social Credit Order.

Well, here the matter rests for the moment. On a wide view the situation is not dispiriting. On the contrary, it tends to be inspiring. For there is no room for doubt that the tensions and strains apparent within the Movement are due to the excitation of much more

serious tensions and strains outside. The banking autocracy is meeting with rapidly increasing difficulty in preventing capitalist cross-purposes from tilting the situation out of its control. The result might be war; but it might alternatively precipitate another sort of crisis—one similar to that which overtook Saul on his way to Damascus.

## Trade and the Flag

Writing on the European situation a few weeks ago we said that the autocratic governments (Communist, Fascist or Nazist) are as big a menace to each other as they are supposed to be to democratic governments. Conversely, democracies are as likely to fall out with each other as they are to fall in together against autocracies.

The reason is because every government, whatever its character, is obliged to base its foreign policy on economic considerations, and its economic policy on financial considerations. In plain language, it is obliged to provide its population with food, clothes and shelter in certain given quantities. To do that it has to provide them with jobs and wages. To provide jobs it has to get orders. And the orders must be large enough to yield the money necessary to enable the population to buy their food, etc., in the given quantities. Any government which fails to do this precipitates internal troubles which will culminate in something like civil war. Such a government, though it had a name like a rose, would stink like a polecat.

Very well. Each government is virtually a board of directors in charge of the plant, equipment and natural resources of the people. It can get orders from two sources—the national market and the international market; the home market and foreign markets. But every "foreign market," as seen by one government, is the home market of some other government. Hence if the first government gets orders from a "foreign market" some other government loses orders, and its population lose jobs and wages, unless, of course, the first government reciprocates by allowing its population to give orders of the same value to that other government. But if such reciprocity as regards international trade operated, the effect would be the same as if every government did no foreign trade at all. For there would have been exchanges of goods of equal value, so that no government would have any money to collect from any other. Hence each government would have to make both ends meet with the proceeds of orders given in its home market. It would have to be financially self-sufficing.

Theoretically it should be able to do so. In actuality no government is able to do so. Every government needs to export goods on balance, so that it shall collect money on balance. It needs to recover, not only all the money that it distributes as wages to its own

population, but also some of the money that other governments have distributed to their populations. Why this should be so is a puzzle. For a government's need for extra money from outside suggests that its internal costs have mounted up higher than its internal expenditure, or else that some of the money distributed to the population had been mislaid or destroyed!

However the point here is the fact that every government is short of money and looks to foreign markets to make the shortage up. "We live by our exports" declare statesmen and economists of all nationalities. If so, the declaration: "We die by our imports" is also true. This "we," in either case, cannot mean all of us. We cannot all export, or import. It must be some of us who do the first (and live) and others of us who do the second (and die). The question is: Which of us are to survive? And the foreign policy of every government is based on resolving this sink-or-swim problem. Whether it be Roosevelt or Hitler, Stalin or Mussolini—it is all the same.

The resolution of the problem depends ultimately on physical force. The slogan: "Trade follows the flag" expresses the realisation of this truth. And, by the way, it was coined in democratic England, not autocratic Germany.

Of the reasons given by Germany for going to war in 1914 the one nearest the truth was her declaration that she was threatened with "economic strangulation" by the Allies.

The League of Nations was created after the War in order to compose quarrels arising out of economic rivalries. The League has not been successful. It has watched, in turn, Italy's flag carried into Abyssinia and (by delegation) into Spain; and Germany's flag carried into Austria. It has thus permitted the absorption of weaker economic areas into larger areas—a process which would not have been attempted if Germany and Italy had been prepared to accept the League as the arbiter of the fair sharing-up of international trade. Nevertheless, the failure of the League does not mean the eventual success of the nations which are flouting

it. The reason is that the capture of new economic resources does not necessarily create new marketing opportunities. It only increases the ability of the nations to execute larger orders if they get them. But that vital "if" depends ultimately on the outcome of secret arrangements between the central banks of the world, collectively represented by the Bank for International Settlements. (This statement is elaborated in the diagram printed elsewhere.)

(P.S.—Rome was not built in a day—but Rome can be demolished in an hour if Basle should turn its thumb down.)

### Classification of Production.

The classification of Production under the three designations *Permanent*, *Floating* and *Disposable Capital*, in other words the machinery of production, unfinished products and consumable products, is helpful. We can use them to tabulate the consequences arising from the use of successive loans from the banks.

Take a token figure of £3 to represent a bank-loan, and one month as the term for which it is lent, and assume that it is re-lent every month. Then assume that the same production programme is repeated every month, and that this programme results in the appearance of equal cost-values, namely £1 each, of the three designated classes of Capital.

The table will be as follows:—

	PC	FC	DC	Goods Consumed
January	1	1	1	1
February	1	1	1	1
March	1	1	1	1

and so on. These figures treated cumulatively at the end of each month will measure unconsumed production as follows:—

	PC	FC	DC
January	1	1	0
February	2	2	0
March	3	3	0

Now in each successive month after January industry is potentially able to supply consumers at a rate exceeding 1 because of the accumulation of PC and FC, which were not in existence in January when the rate was 1. How much the increase should be does not matter: but in each successive month the community should be able to draw on the FC produced in previous months. But they receive only £3 in each month, and the whole sum is absorbed by purchases of and investments in the PC, FC and DC produced in that same month. Thus the loan-system does not help them to buy for consumption any portion of what they had left un-

bought in any of the previous loan-periods. Now it is agreed by Social Creditors that there are circumstances in which the loan-system would be free of this difficulty. They are that the original loan were to be left outstanding until the whole of the natural resources used in production had been converted into DC. In that case the whole repayment would come back through the consumption market, and there would be nothing left unbought—nothing invested in the loan or FC to be carried forward into another loan-period.

Thus, supposing in the illustration taken in hand issued in January were repayable on March 31 and then there would be DC costing £3 and incomes in hand amounting to £3. Or, if one supposes the community to have consumed some of the DC in the intervening time, they would have just so much money left on March 31 as sufficed to buy the balance of DC then available.

Further, if they borrowed, additionally, loans on the three-monthly terms on February 1 and March 1, bringing into process new supplies of natural resources, they would, in course of time, be consuming DC at three times the rate that they can when they borrow on monthly terms for a three-monthly start-to-finish production-cycle.

### Ledgers for All.

By H. E. B.

Though there has been a great deal of tightening up on the part of our Government officials in the matter of tax-gathering, I feel sure that they will be sorry to know that there is still an enormous field for their investigations. There is a well-known business which, as yet, does not produce its accounts for audit, that is, an audit that would pass a Government official. I refer to the business carried on by Family Circles, which, owing to the distressing fall in the birth rate, seems likely to become a very limited company in the near future. It is high time that Family Ledgers were installed so that every financial transaction, from the purchase of baby's bottle to father's latest wireless set on the "never-never" system, could be strictly accounted for and certified by one of the many thousands of new Government auditors who would be needed. What a gigantic work plan it would be; what a splendid opportunity for getting to know all the little details of family life which so easily dodge through the simple little queries of the income tax form.

Let us assume the existence of the Family Ledger, and follow over a short period the doings of Mr. X and family. When at work he supports a wife and two children. His first-born is nearly twenty-one, the second is a girl at school. Mr. X has been lucky enough to get a job at a toy factory. This factory has enlarged its complement of machinery so that it can now turn out full-sized machine-guns with the same celerity as it formerly turned out toy ones for the season of peace and good will. Mr. X starts work, let us say, on January 3, 1938. Pay day is on Friday 7th, but he won't draw any cash then, as his firm is reluctant to part with cash until a worker has done a full week. Mr. X will draw his first week's pay on January 14. Of course, if and when Mr. X leaves the firm he will draw extra pay for the amount held in hand for his first uncompleted week.

After this digression let us return to X's great day, January 3. In accordance with the new Ledger Law, he takes down the brand-new account book, given free by a benevolent Government, and enters on the debit side the sum of 2s., borrowed from a pal, to pay for his workman's ticket to the factory, and to buy a dinner at the factory canteen. While he is away Mrs. X, on the strength of the new job, buys various edibles of dubious quality at a neighbouring shop. The debt so incurred is dutifully entered in the ledger on the same side as hubby's 2s.

This kind of thing goes on until the day when X draws his first pay. The family has lived on negative money (debt) for at least eleven days. While the firm's accountant would certainly pass the figures representing X's wages, he would just as certainly pass over the fact that X and family have lived by borrowing themselves into debt during the days preceding the 14th. According to the X family pay-day should be a day of great rejoicing in the X family plus a little "extra" for Ma. Mr. X, mindful of his duty to the State, does none of these unfinancial things. He solemnly takes down the Family Ledger and in the credit column enters the first wage he has received for two weary years. The debit and credit sides are duly summed, the former needing a great deal of brow furrowing and pen-holder sucking, and the first balance is struck. On the credit side is found the magnificent sum of 2d. When, however, the actual cash is emptied out of the pay envelope, and the many sums are set aside to satisfy the eye of his wife, X confesses that he felt so proud of his exalted position as one of the workers of the world that he "had one" in the shape of half a pint of "fourpenny" as a celebration.

Mrs. X reproachfully reminds hubby that their son and heir will be twenty-one on Sunday and what is he going to do about it? Mr. X loftily replies that he has received official intimation of the event from the proper Authority, and that he will not hesitate to do his duty. Early on the Sunday morning, then, behold Mr. X proudly presenting to his son, not the traditional watch, nor even a packet of "gaspers," but a brand-new Ledger, embossed with the well-known Government sign of encouragement and warning. On the debit side of this handsome tome appear many entries, representing payments made on the lad's behalf since he became a member of the X family. They make a staggering total even at the X's modest rate of expenditure. On the credit side are entered the few payments made by the lad on the rare occasions when he has been in work.

So the young man starts, as most of us do owing to sound finance, a physical asset but a heavy financial liability. The

lucky ones who start on the credit side do so by virtue of a free gift from father or other rich relative, over and above the expenses incurred in rearing them. The free gift from some fathers should be expanded to free gifts from all fathers, represented by the National Credit Office, so that all children may start as physical and financial assets, free-born shareholders of the nation, entitled to their share in the National Dividend. Ledgers for all would show up a multitude of debts which so far escape scrutiny, for they do not appear in any ledgers though they exist to burden the lives of thousands.

### Books To Read.

*British Consul.* By E. Hambloch. (Harrap, 1938.) The pleasantly chatty reminiscences of a very efficient British official, stationed mainly in Switzerland and Brazil, during the last thirty years. You could read it, unbored, on an ocean voyage.

A year or two ago Mr. Somerset Maugham, whose high position as a writer no one disputes, wrote three or four tragic tales collected in a little book entitled, if I remember right, *The Cosmopolitans*. Two at least of these short stories, which remain fixed in my memory, would of themselves be enough to put him well up on the plane of de Maupassant. It was then in a grateful frame of mind that I began his just published book, *The Summing Up* (Heinemann). This is admittedly written from a sense of duty, of duty to himself. He even alludes to it as a sort of making of his will. He says:—

"An occasional glance at the obituary column of *The Times* has suggested to me that the sixties are very unhealthy. I have long thought it would exasperate me to die before I had written this book, and so it seemed to me that I had better set about it at once."

The same lugubrious note sounds more or less all through. I have no fault to find with either the matter or the style of the book, and I agree with most of the opinions of the writer, but, being only a very ordinary reader, I have found it long and depressingly dull. It is a consolation to know that, having been safely delivered of this weight, he expects to write more tales.

The following three books are among those which, having read and found good, I subsequently made room for on my exiguous shelves.

*A Rebel for a Horse.* By C. W. Thurlow-Craig. (Arthur Barker.) The young author was looking after cattle in the wild Paraguayan Gran Chaco some five years ago. Leaving this for Brazil, he butted into the Sao Paulo revolution, and had to join the rebels rather than have his horse conscripted, this horse being a beloved and highly-trained animal, separate from which he could not face. It is a real book of real rough life, fighting, and adventure by a real man. Having opened it to make sure of a fact or two, I find myself starting to go right through it again; but as to-day I have not the time I can only tell you that when I did read it I found it alive all through with not a padded line or even a dead word.

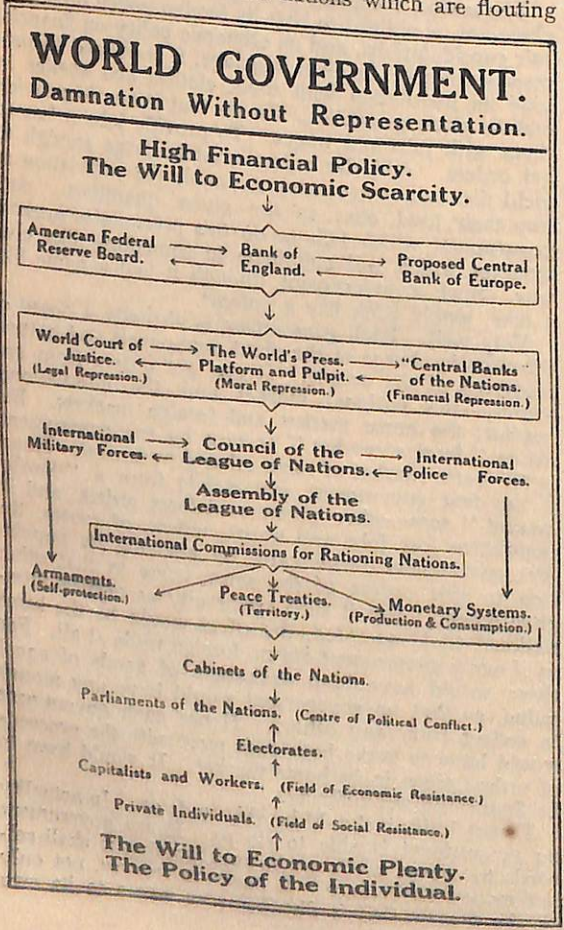
*Sword For Hire.* By Douglas V. Duff. (Murray, 1934.) The title of this book is unfortunate, as the author is by no means a mere mercenary fighter. As a middy from the Conway, he was, at sixteen, the only survivor from a torpedoed ship, afloat on an upturned boat in the Bay of Biscay. Here he vowed himself to the Church if saved. A second time he was torpedoed. After a two years' novitiate in an English monastery, Nature proved too strong, and he put in a few months with the Black and Tans.

All this is the preface to years of fine work in the Palestine Police. An account very well worth reading at any time, but especially at the present moment, as indeed is his record of a recent revisit, *Palestine Pictures*.

*The Black Tents of Arabia.* By Carl R. Raswan. (Hutchinson, no date.) You may know your Doughty, you may have studied your *Seven Pillars*, and read all Philby, but until you have read the book of this admirable German you will know comparatively little about everyday life and death among the Bedouin of the desert.

Raswan has lived for years as one of them, raided with them, and fought with their enemies. He has much to tell us of the unwritten law of the desert, of its rigid rule in matters of life and death—how you may shoot armed men raiding your camels, but not their unarmed herders—of the unbreakable code which gives absolute safety to anyone in the tent of even the humblest nomad, who has once acquired, even by a stratagem, the position of a guest.

Had I room I would quote his account of how, knowing the Bedouin law, he turned the slight accident of a small



boy's glancing slingstone into blood brotherhood and lasting friendship with the great Amir of the great Ruala tribe.

Raswan's knowledge of Bedouin social law, boldly made use of, having on one notable occasion extricated his party from a position of extreme danger, he remarks:

"To us, used to the ways of Western civilisation, such a train of events and their result must seem incomprehensible. But after one has lived a length of time with the Bedouins one learns to understand that the unwritten laws of the Bedouin social code are closely adapted to the conditions of life in the desert, and have sufficed, from time immemorial, to meet its manifold circumstances. Without these rules of the game, indeed, all human life in nomad Arabia would have become extinct long since."

Were there room I would quote much more from this fine book.

I can hardly imagine a reader whom this book would not interest, and I should deeply pity anyone whom some parts of it should fail to move.

PAKEHA.

## Trade Improvement.

### PRIZE PAPER.

[The following paper was awarded a prize in a competition recently held under the auspices of the Worshipful Company of Armourers and Braziers. The author is Mr. W. R. White, who, we understand, is connected with the Sheffield Trades Technical Societies.]

By W. R. White, 34, Furnival-street, Sheffield.

The first essential for a steady trade improvement is security; at present people are compelled to save for a "rainy day." With our modern methods of production we are able to supply everyone with enough, and in many cases abundance. It is therefore fair to assume that the productive side is efficient.

Now consider distribution. All costs are, in order that producers may remain solvent, charged into prices. The savings which are laid aside for the unprovided future have been "costs," otherwise they would not have been received by the worker. Insecurity causes saving. Savings represent money drawn from the pool of costs, and therefore unsold goods, which often have to be liquidated at less than cost. The effect of selling goods at less than cost is to create bad trade, as the general body of producers, wholesalers, and retailers are paralysed in their activities. If a community like ours with its ability to produce all goods required for use, or to supply in exchange for desirable foreign or colonial products, were to give security to the extent of at least all the necessities of modern cultured life to all its members of whatever age, if unemployed or incapacitated, such members would then, freed from anxiety, buy freely what they needed at the time of need and the tendency would be for producers, having assurance of a better market, to offer goods of a superior quality.

It is well known that bad times cause the production of a lower quality in order to try to meet the lower purchasing power of the public. During "shortage of money" periods, manufacturers fear to incur expense in the factory. The result is that machinery is not kept in perfect order and this itself is the cause of "wasters" in any trade. With reasonable assurance that a steady and paying market exists for his commodities, a manufacturer would, in the majority of cases, keep his existing plant in good order and supplement it by the latest inventions. The saving of "waster" material thus brought about would be enormous, and the happier conditions amongst all classes of workers—messengers to managing director—would lead to closer attention to details, with resulting better work.

In conclusion, I suggest that the system of production is now far in advance of the system of distribution. The latter, which is controlled by the financial system, appears to be wholly out of date in a period of power production such as ours.

The productive system is man made, as is the financial system, but the latter is too rigid, and needs bringing up to date so that it can smoothly work in unison with the former.

It is now better known than previously that what is physically possible in this case, power-production of consumable goods of all kinds in enormous quantities, is financially possible of distribution, as the fabric of finance is entirely man made and can easily be adapted to meet the present need of easier consumption.

If details of the desirable financial changes are required and considered within the scope of the present paper, the writer is ready to give them, although they are rather technical for persons who have never given much thought to what finance or money really are, and would be better dealt with in a place where questions can be answered.

## The Eden-Chamberlain Split.

This split is a quarrel about choice of first innings in a diplomatic Test match. Eden won't agree to let Italy bat first, while Chamberlain is willing to lead England into the field. Yet the advantage of first innings depends upon the behaviour of the weather. The weather, in this case, is controlled by the international bankers. These super-diplomats can flood the pitch or bake the pitch at will. They can upset the balance of nerve and skill as between the two teams. Hence there is no assurance at all that the side securing the initial advantage will win the match. Eden may be right. Chamberlain may be right. Yet the defeat of Eden may turn out to be a contrived factor in the secret policy of Montagu Norman. Mussolini may yet discover that his diplomatic victory to-day will land him in a financial ambush to-morrow.

In fact, it is an even-money bet that the split is spoof. One indication of this is that Parliament has been allowed a full-dress debate on it. Another is that Mussolini is reported to be demanding—a loan!

A. B.

## Week-end Cabinet Crisis.

### HARGRAVE'S TELEGRAMS.

The following telegrams were sent on Monday, February 21, at 2.10 p.m.:

Right Hon. Neville Chamberlain,  
House of Commons.

All political stresses strains between Great Britain, Italy, Germany, France, other countries, due to one fundamental economic cause: lack of consumer purchasing-power to make Home Market effective in each country. If you do not deal with money shortage at home, you will be forced deal with war abroad.

1. Establish National Credit Office.
2. Issue Consumer Dividend to every citizen.
3. Apply Price Adjustment retail-end prevent inflation.

JOHN HARGRAVE, *Founder and Leader,*  
*Social Credit Party, Great Britain*  
*and Northern Ireland, 44, Little*  
*Britain, E.C.1.*

A similarly worded telegram was sent to the Right Hon. Anthony Eden. The following telegram was sent to:—  
Right Hon. C. R. Attlee,  
House of Commons.

Duty H.M. Opposition emphasise all political stresses strains between Great Britain, Italy, Germany, France, other countries, due to one fundamental economic cause: lack of consumer purchasing-power to make Home Market effective in each country. If Governments do not deal with money shortage at home, they will be forced deal with war abroad.

Labour should press Three Demands:—

1. Establish National Credit Office.
2. Issue Consumer Dividend to every citizen.
3. Apply Price Adjustment retail-end prevent inflation.

JOHN HARGRAVE, *Founder and Leader,*  
*Social Credit Party.*

The following telegram was sent to William Craven-Ellis, Esq., M.P. (Cons.), as Chairman of the Monetary Reform Committee of Members of Parliament:—  
W. Craven-Ellis, M.P.,  
House of Commons.

Your Monetary Reform Committee, and supporters, should take steps immediately emphasise all political stresses strains between Great Britain, Italy, Germany, France, other countries, due to one fundamental economic cause: lack of consumer purchasing-power to make Home Market effective in each country.

Point out: if Governments do not deal with money shortage at home, they will be forced deal with war abroad.

Solution is:—

1. Establish National Credit Office.
2. Issue Consumer Dividend to every citizen.
3. Apply Price Adjustment retail-end prevent inflation.

JOHN HARGRAVE, *Founder and Leader,*  
*Social Credit Party.*

The text of the above telegrams is released for publication by the Committee for Parliamentary Action of the S.C.P. (the Green Shirts).

FRANK GRIFFITHS  
*(General Secretary, S.C.P.)*