THE

NEW AGE

INCORPORATING "CREDIT POWER."

ORGAN OF THE NEW AGE SOCIAL CREDIT SOCIETY

No. 2377] NEW SERIES Vol. LXII. No. 22. THURSDAY, APRIL 7, 1938. ANNUAL SUBSCRIPTION TO THE SOCIETY 30s.

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Social Credit and the City Vacancy.

The following is reprinted from *The Evening Standard* of April 1:

ACCOUNTANT MAY FIGHT CITY SEAT FOR GREENSHIRTS.

The great Conservative stronghold of the City of London may be invaded by a Social Credit Party candidate.

It was announced to-day that the Parliamentary council of the Social Credit Party (The Greenshirts) will probably select a "well-known City accountant" as their candidate for the seat vacant by the death of Sir T. Vansittart Bowater.

"They contend," says the official statement, "that the City banking and financial interests are already over-represented in Parliament and that a member should be returned to represent the vast number of City employers and employees whose interests are not served by the present faulty monetary system.

"The saying of Sir George Broadbridge (the Conservative candidate for another walk-over) that the greatness of the City has been built upon the Five Cs. (conviviality, cordiality, comradeship, charity, and courage) is causing the Social Credit Party much amusement.

The Sixth C.

"They want to know to how small a body of the elect the five C's apply, and suggest that Sir George has omitted the most important C of all—Credit, the real credit of the nation, not the limited financial credit which the bankers and financiers have claimed as their own.

"They say it is about time the 'City' was called upon to explain why it is that the nation cannot make progress socially, or even build itself up a reasonable 'defence' force, without becoming more and more indebted to the 'City.'"

The last time there was a contest for the City of London was on May 30, 1929 (General Election), when the result was as follows:

Sir V. Bowater (C.)	16,149
E. C. Grenfell (C.)	16,092
T. O. Jacobsen (L.)	4,579

The total of votes cast was 36,820; and the number of electors on the roll was: Men, 25,196; Women, 21,273; totalling 46,469. So, roughly, there were 10,000 non-voters. In 1931 these two members were returned unopposed. In 1935 there was no opposition, but Sir Alan Anderson walked over the course instead of Mr. E. C. Grenfell.

The Conservative majority in 1929 was about 11,500. This was the election which returned 287 Labour members, 260 Conservatives, 59 Liberals, and 9 Independents; Mr. Ramsay MacDonald becoming Prime Minister. The majority would presumably have been bigger in the 1931 election because of the Threadneedle-wall-street eviction of the Labour Government and the nationalising of the three parties of the State, in preparation for the secretly-contemplated flight from the Gold Standard. For to contest the City at that juncture would have placed the intervening candidate in the dilemma of declaring himself a non-national party-man (i.e., unpatriotic) or a national party-man (i.e., a mere trouble-maker, fighting without an alternative basic policy).

In 1935, the "national" ticket having become slightly soiled, the potential majority in the City had probably reverted to the 1929 figure. What it is to-day is an open question; but one might guess that it is something less than the number of people who refrained from voting in 1929, i.e., 10,000.

Sir George Broadbridge, who is now standing for the vacant seat, was stated in *Who's Who* (1932) to have been Chairman of a group of Tin properties. He did not figure in the *Directory of Directors* of that year but a Captain Walter Broadbridge figured there as director of six companies concerned with gold and base metals in South Africa and elsewhere. Whether the two are related or associated in any way does not transpire from particulars available at the moment; but the matter is not important, for one takes it for granted that representatives of the City represent the interests and functions of institutions operating in that area rather than of the individuals residing there. Of all the electoral areas in the Empire the City of London stands foremost for the principle of: *Controlling People in the Interest of Prices.*

That being so, the City is the place of all places where there should appear an advocate of the opposite principle: *Controlling Prices in the Interests of People.* Hence the gesture of the Social Credit Party is inexpugnably logical and will be appreciated by all believers in the Social Credit Theorem and allied policy.

Of course, the question of feasibility comes up at once. What hope of getting anyone elected?—indeed, what hope of his avoiding the loss of his deposit? And, apart from the financial risk, what about the effect on the prestige of the Movement as an influential force in politics if the candidate's poll is relatively negligible? What is the use of staging a contest *pour rire* at a cost of maybe five or six hundred pounds?

Nevertheless, there are some vital counter-considerations. The very grotesqueness of the apparent disproportion between the forces tends to stir public imagination and win public sympathy.

The "facing of fearful odds" stimulates the sporting instinct in all beholders. ("Even the ranks of Tuscany could scarce forbear to cheer.") Audacity, like virtue, is its own reward; it more than wipes out the so-called disgrace of its frustration. As a matter of fact the mere announcement that a Social Credit

candidate *may* (not *will*) stand, secured seven inches of prominent advertising matter in *The Evening Standard*. And if a candidate appears on the scene there will be plenty more. So there is no question that if the necessary money is forthcoming the vast majority of Social Creditors throughout the world would like to see it staked on this venture. It is of course possible to conceive of a better purpose to which such a sum might be devoted; but to indulge too readily in that conception is to risk falling into the error of Judas Iscariot when he deplored the waste of the precious ointment. A votive offering is on another plane from a vote-catching implement. It has to be assessed by reference to criteria of transcendental values. The great thing is that fundamental Truth should assail fundamental Error in its ultimate stronghold.

Again the possibility need not be entirely ruled out that the spectacle of David assailing Goliath might bring stones for David's sling from neutral sources. Not every person *in* the City is *of* the City; nor is every person *of* the City necessarily a supporter of the idea of a walk-over, or an admirer of the candidate who has been nominated to perform this leisurely feat. There are wheels within wheels even in this centre of "conviviality, cordiality, comradeship, charity and courage" (the Big Five C's—one for each bank), and who knows but that in their turning they may not release some cash for the intruder?

Now, let it be assumed that the financial obstacle is overcome and the candidate goes forward. It is vital that his standing shall not be considered by electors as indicating that the Social Credit Party's distant objective is to put a majority of Social Credit members into Parliament, and that the City candidature is a step towards reaching it. The average elector would naturally say: "Why should I vote now for a man who, if he gets in, will have to wait maybe twenty years till his pals get in?" No; this is not a step towards such an end; it is an end in itself. It is to get into Parliament an advocate and spokesman of a philosophy of life and principle of policy which, as yet, are not represented there. What he is out to do he can, and will, commence doing directly he is returned. If more of his sort join him later so much the easier for him; but if not he can do efficient service by his own effort.

The word "Party" still retains the connotation of sectional rivalries in pursuit of mutually conflicting interests, implying the use of numerical force by one section to impose its will on other sections. In this sense the word "Party" as adopted by the Social Credit Party, is a misnomer. For they stand for the beneficial reconciliation of the conflicting interests supporting the old-style parties. It is not the policy of the Social Credit Party to dislodge Conservatives, Liberals or Socialists *en masse* from membership of the House of Commons like these do each other. Insofar as these members frankly bring into the counsels of Parliament the viewpoints and problems of the various interests that they represent, their presence there is desirable from the point of view of the Social Credit Party provided that the Social-Credit viewpoint also has a "Voice" at Westminster. (The measure of meal mentioned in the parable was not emptied out to make room for the leaven!) In this matter of qualitative, as distinct from quantitative, representation the Social Credit Party's policy is the policy of every organisation in the Social Credit Movement—as the candidatures at Leeds, Bradford and Birmingham in the 1935 election testify. One swallow does not make a summer, but it is a prophet of summer, recalling memories of good times past and creating expectancy of good times to come.

So, if the City candidature is proceeded with it deserves to be made the focal centre of unity between all believers in Social Credit.

If it is not proceeded with because of financial reasons the value of the gesture of fighting the seat will not be lost, and, moreover, a Social-Credit moral will emerge from the abandonment of the task. That monetary scarcity should prevent an advocate and exponent of the remedy from getting into a Parliament whose members have no alternative remedy to propose, should strike all sufferers from the scarcity as an intolerable anomaly in itself. Indeed most readers of these lines will agree that if anybody ought to walk into Parliament without the expense of a contest it ought to be a champion of the moneyless—the Social Credit candidate. Surely, among 700 odd Members for Prices (whether of labour, materials or securities) there is safe room for one Member for People. How about Sir George Broadbridge being a sport and retiring in favour of the Social Credit candidate?

Imports an Aid to Competition.

In the article entitled "Peace With Security" in *The New Age* of March 31, it was shown (a) that the root cause of war would be extirpated if any country (or group of countries) accepted imports from the others to the whole extent to which these others wished to send out exports: and (b) that Social-Credit finance would enable such a country to do this with profit to the native population, because it would enable them to buy and consume the imported real wealth *in addition to* home-produced real wealth. The greater the inflow the greater the consumption. It would not matter whether the imports were immediately consumable or were materials forming the means of production (i.e., whether they were commodity-products or capital-products)—the final consequence would be the same. All the imports could be distributed internally free of charge.

The general proposition underlying the argument was that imports increase the economic strength of a country. The truth of this is implicitly recognised in the policies of national governments with regard to a certain type of product—namely war-material and equipment. It is true that private armament-firms are eager to send their products to any country that will buy them; but national governments take good care to regulate this sort of enterprise. They are realistic enough to see that a country which was allowed to make itself a dumping ground for exported armaments would increase its military strength, and could even become the sole repository of all the arms in the world. Needless to say, no amount of financial revenue would compensate the exporting countries for this realistic consequence; that is, not while there was any chance of war.

Yet national governments do not seem to realise that the dumping of any form of product has a parallel consequence in the place where it is sent. For all real wealth is usable as, or convertible into, the machinery of war. Even foodstuffs: for if a country can import its food without exporting any real wealth in exchange, it can turn its food-producers into armament-producers. Of course this does not happen under the present financial system because, as pointed out in the article referred to, the native bankers *discredit* imports. But under Social Credit, imports would be *accredited*, and the people would consume the foreigners' exported foods while producing weapons to fight them with if necessary.

This reasoning depends on the truth of the statement, examined in the earlier article, that in international trading "money does not cross frontiers" (Mr. McKenna). Whereas, it may now be added, goods *do* cross frontiers. It is for that reason that a country receiving imports without "paying" for them with exports, gets the imports free of charge; or if it receives imports in excess of exports it gets the balance free of charge.

Such a country, then, under Social-Credit finance, has two options. The first was pointed out in the earlier article; namely that the imports can be consumed by the people in addition to their consumption of home-made products; the internal money-supplies, not being depleted on account of the imports, will be sufficient to buy both. The second option is this: that the same country can withhold the imports from the internal consumption market (or withhold an equivalent quantity of home-products while distributing the imports) thereby

accumulating a reserve of real wealth—a reserve which, as shown, has cost nothing in terms of its internal money.

The consequence is that this reserve of real wealth can be utilised free of charge in the service of the country as an economic or a military weapon according to its form. The reserve might be in the form of factories or of battleships. In either case the reserve could be maintained and used without charging anything in prices or taxes beyond the wages (for service and maintenance) paid to civilians and sailors. To that extent the country would become a potential dominant force in terms of economic or military power in the world.

Leaving aside the question of military power, this potential dominance would rest on the self-evident truth that what is gotten for nothing can be given for nothing. To apply this truth practically: a country could re-export its imported-reserve (or the equivalent thereof) without charge. Naturally its Government would not do this except for political reasons. But since, by hypothesis, this Government would be a pioneer Social-Credit Government, wishing, not only to make the system work to the benefit of its own people, but to induce other Governments to adopt the system, it might choose to do this by providing them with the object-lesson residing in drastic, wholesale export price-cutting. It would make these Governments realise that they were undermining, not strengthening, their economic power when they were exporting real wealth in return for mere paper promises to pay.

In the earlier article it was shown, by illustration, that an e.g. German export to America was "paid for," not by American dollars sent out by America, but by what are virtually American IOU's for dollars. This might very well be called the Micawber principle of settlement.

Mr. Micawber's trouble was that his creditors were readily able to distinguish between actual payments and promises to make payments. He would probably have got away with it if some respected public authority had offered to discount his paper. Now, in international trade, there is an authority of this character. It is called the Bank for International Settlements. It discounts (indirectly through national banking and allied institutions) the IOU's variously tendered by importing nations. And, because it does this, the exporting of real wealth against IOU's appears to be good business for the exporting countries. And so it is—temporarily. But ultimately the benefit is wiped out. For Basle, working through the same national institutions, causes them to withdraw credits from circulation in their respective countries whose IOU's are outstanding, and by that means drives them to export goods in order to get back the credit which has been withdrawn.

Under Social-Credit finance this pressure would not be applied.

NOTICE

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Published by the Proprietor (ARTHUR BRENTON), 12-14, Red Lion-court, Fleet-street, E.C.4, England, and printed for him by THE ARGUS PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4, England ('Phone: Central 3701).