Nazi Sales-Talk.

The German Government staged a flattering reception for the Duke and Duchess of Windsor on their arrival in the Fatherland to study the housing and feeding conditions of the workers. This was natural, since the visit affords the Government a splendid opportunity to advertise the virtues of the Nazi system of rule. Present sales-talk is to show as best they can that a real autocracy is better than an artificial democracy.

Of course, the Nazi effort to do this is somewhat complicated by the fact that there are three real autocracies in the field—the brown, the black, and the red. That the brown and black autocracies are getting on together well (so far) hardly compensates for the awkward fact that they are implacable enemies of the red.

While this situation persists it is impossible to demonstrate that the principle of autocracy is better accepted as a kind of democracy. If its superiority is to be accepted it must rest on the manner and consequences of its application.

If philosophies differ but actions agree then the philosophic differences will have no more than academic interest. Thus The Times (July 23, 1934) wrote of Dr. Einzig's dictum that in their ultimate logic the identicities of the brown and the red autocracies are in agreement but actions of comparison. What the Nazi and the Fascist autocracy need to show is some cogent practical reason why the democratic principle is held to be obsolete, democracies should go brown or black rather than red.

The German Government have to show that the brown system works more compatibly with democratic capitalism than does the red. Having done this (if they can) they must then show that brown system fulfils the democratic ideals more quickly and certainly than the false democratic system can do.

This is what they are trying to do. They have started by conducting the Duke of Windsor through a show which, we are ready to believe, beats anything operettably to be seen in England. Then, rather ineptly, they have invited him to inspect a sample of clothing material made from wood pulp. Chesterfield asked the Duke, "And how does it wear?" (A good one, that—what?)

This incident serves as a reminder that the value of Nazi sales-talk depends on the point of view of the people who are expected to buy them. For example, there are different and conflicting lessons to be drawn from the wood-pulp exhibit. What does it prove? That the German worker is able to do without wool and cotton, and therefore cloth himself adequately at a reduced cost? Or that the German Government is able to render itself less dependent on imports? Or that the Government is able to impose wood-pulp clothing on the workers whether they like it or not?

Dr. Ley, the voluble leader of the Labour Front, emphasized the fact that every employer of labour had to belong to a Labour Bloc along with his employees—that he was under the same discipline as they—that he was subject to penalties for anti-social conduct, penalties having the effect of putting him out of business alto-gethether. Presumably Dr. Ley intends this to be taken as an example. As proof that the abuses which the workers in that country are apt to attribute to unfettered capitalist enterprise have been (or are in process of being) eliminated in Germany. Further, no doubt he has pointed out (though he has not it reported) that German employers have no power to fix prices or to fix wages. The Government says how much the worker shall be paid for his service and how much he shall be paid for his service.

But there are two other factors to be considered. These are (a) hours of work, and (b) qualities of goods marketed. Neither of them is fixed in the same way, nor marketed. So employers of labour are as are wages and prices. Naturally they are able to wring out of the wage-price squeeze. Naturally they are able to wring out of the wage-price squeeze. Naturally they are able to wring out of the wage-price squeeze. Naturally they are able to wring out of the wage-price squeeze.
by this device of sweated labour and degraded products that the employing classes get their take-off under the system of National Socialism. Further, this price-fixing principle is not universal. In cases where products are such that they cannot be degraded in quality the Government is willing to entertain applications for raising the prices!

A year or so ago we stated and argued the general proposition that deceleration of quality was inflation of prices. It will be remembered, too, that when the Duke of Windsor decided to banish the Waltzes, he made the first vehicle of advice to British manufacturers, that they should aim at adjusting the qualities of their products to the changed standards of the world-market. Specifically they should not make things that the Nazis could not imitate. Here was the Nazi wood-pulp-for-wool and less-in-fat-in-the-so-called-Victorian food problem; so that both had some number of marks for wisdom, although the democratic system might be pointed out that whereas the British manufacturers were compelled to work on foreign importers the German manufacturer was prompted to work on native consumers. Perhaps, by the way, this is the reason why Hitler and Mussolini find it so easy to parade their cities by the million for which you are packed in a crowded street where you get no more pleasure than is derived from good food. The fact is that there might be a collective horror.

Turning to another aspect of comparison between the two systems, we note that the policy of the Nazi Government with respect to the Church is a red flag to the British Government. Both Governments are good servants but a bad master. The easiest way to get the Churches under control of the state, the student knows, is to appoint a proctor to the Board of Trade, and the Board of Trade is the only authority that has power over the Churches. In this way, the student knows, these Churches have been appointed to the Board of Trade, in England as is the case with all other Churches in England as it is from the Board of Trade. She is rationed for Humanities, to the extent of the Board of Trade, behind which are the Church, United Church, and those of the United International Finance, and, ultimately, lead to the loss of financial status.

Furthermore, the Church is being imperceptibly driven to the conclusion that if the Church is to be saved, it must do something or else it will be swallowed up by the Church. That is to say it must do something that would be too large for the Church to undergo, and that is to make the Church a body corporate. This is a process which has been going on for some time, and it has brought about a change in the Church's attitude towards its own property, a change which has resulted in the Church being more interested in its own property than in the Church's own property. The Church is now more interested in its own property than in the Church's own property, and it is now more interested in the Church's own property than in the Church's own property. The Church is now more interested in its own property than in the Church's own property, and it is now more interested in the Church's own property than in the Church's own property.
Alberta Notes.

News to hand at the time of writing (Saturday last) does not say what has happened about the action taken against Mr. Powell. It falls in a few earlier details. The police entered the League's headquarters on a search warrant. They confiscated 2,000 copies of the leaflet committed. The leaflet bore no publisher's imprint.

The order and the swift sequence of events may prove, later on, to be of significance. Thus:

Oct. 4.—Lt. Governor suspends Royal Assent to three Bills.
Oct. 5.—Unwin arrested. MacLachlan and others examined.
Oct. 6.—Powell arrested.

Local legal experts are saying that the action of the Lt. Governor creates a precedent. According to rule he should give assent or refuse it. If they are right his tempering attitude could have become the central subject of controversy in which the Social Credit leaders would have had an advantage; for they could have suggested that the Lt. Governor had interpreted the Constitution in a new way in order to avoid official responsibility.

But the immediate supervision of the raid and the two arrests has counteracted this advantage. For, against the Lt. Governor's presumed irregularity as regards observance of constitutional custom the enemy are able to set the presumed breach of criminal law against them in much more dramatic than the Lt. Governor's inaction, and will absorb public attention until the issue has been fought out in court.

The position appears to be complicated by the fact that Premier Aberhart holds the portfolio of Attorney General, and it is not clear whether his consent was necessary before the police could make the arrests. This query is worth bearing in mind, although it appears to have little importance at present.

The absence of an imprint from the leaflet slightly shortens the odds against the possibility of evidence having been "planted" on the Social Credit League, because this conclusion hides the origin. Major Douglas is also said (in the Canadian Press to have stated that he was unaware of the nature of the leaflet, and is relying on the antecedent improbability that Mr. Powell has infringed the law in the manner alleged. The Secretary's official journal of last Friday expresses confidence that Mr. Powell will be able to clear himself.

Maximum sentences for the crimes alleged are said to total thirty-nine years (placed end to end?) but as no one of them could get off with one day's imprisonment.

Since the above was written there is news that the Powell case has been adjourned until October 23.

Notes on Australian Banking Commission's Report.

By Arthur Brenton.

The Commissioners make the A + B Theorem the starting point of their examination. They reprove it correctly (Section 431), although they wrongly suggest that it had no place in Economic Democracy, which was Major Douglas's first book. However, let that pass. The Commissioners say that the Theorem "falls precisely in the class of financial theory which does not define the kind of factory and kind of product to which he applies his analysis of cost. It seems strange that Major Douglas draws from the cost in his Hypothetical case to prove a general beating of purchasing power. Why should it not have been a survey of only a part of the machinery of the most essential public services, to prove that the leakage in the past surveyed might be compensated in the part not surveyed?

No; the validity and significance of the conclusion rest on the fact that there is no factory of any kind whatever which is not continuously accounting costs against consumers (immediately or ultimately) at a quicker rate than it pays out money to consumers.

The Commissioners have therefore wasted time by testing the Theorem with reference to selected types of productive organisations, as they do in Sections 434-438. They have to say it is irrelevant, whether true or not.

An important statement is made by them in Section 447: It is as follows:

"There appears to be a great deal of misunderstanding about the effect of depreciation upon purchasing power.

The amount charged for depreciation is an estimate of the loss of value in the assets used for production, either by the wear and tear or by the passage of time. The effect of charging this amount as a cost is to provide that an equivalent amount shall be withdrawn from distribution, and thus in time provide a means for the replacement of those assets or for the eventual return of the capital invested in them."

Note particularly the last clause of this paragraph. It plainly says that money is withdrawn from distribution to form a fund out of which not only are the incurred costs of factory maintenance to be defrayed while the factory is working, but out of which the original capital subscribed for the factory is to be returned to investors if the factory is not working. In short, consumers are paying for the factory itself as well as for maintaining it.

The importance of this statement will be appreciated by readers who are aware that criticism of Social Credit is being concentrated on establishing the proposition that fixed capital is not charged in prices. Thus the Australian Commissioners have put their foot in it. Like incompetent settlers, they are dropping shovels short of their own front lines.

The issues can be simply explained as follows:

The advocate of Social Credit says that prices tend to rise above incomes in the consumption market. There have been two alternative answers. The first answer is that they do not. And the reason given is that the incomes paid into the consumption market by all industries (but not wages) are sufficient to purchase all consumable goods alone need to recover the second answer is that if prices do tend to rise above incomes the tendency is practically counteracted by the effect from those prices of charges involving the result of investors' paid-up capital.

The second answer is repudiated by the Commissioners, as just shown. So at this juncture the Social-Credit advocate can retire for refreshment while these two schools of opinion doxy settle their differences.

(To be continued.)

Hargrave at Leeds

On Sunday, October 24, John Hargrave is to appear at the Crown Cinema, Tong Road, Amble Hall, in support of the candidates of Mr. Powell in Municipal Election on November 1. He is an official of the Social Credit Party of Great Britain. The chairman will be Mr. W. Townsend, B.A., who is Social Credit candidate for Parliament in the last General Election.

This experiment should be welcomed by all members. The Movement, because the policy of securing representation on a Council dovetails nicely into that of destroying results from a Council. The big problem in most countries is to get people to go to the poll; it will be interesting to see whether the merits of the Social Credit system can be set out of their apathy. Readers in Leeds should thank Mr. Hargrave for being tackled.

Forthcoming Meetings

LONDON SOCIETY CREDIT CLUB.
LONDON SOCIETY CREDIT CLUB.
Blackett Street, Caxton-street, S.W.
October 23, 8 p.m. "How Social Credit with Absolutism."
October 26, 8 p.m. "Demand Your Inheritance—Mr. P. J. Hand."

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