Hitler's Coup

The following remarks by S. W. Alexander, City Editor of the Evening Standard, were published on March 12, 1938—the date of Austria’s surrender to Hitler’s demands. (Italics ours.)

As I forecast recently in these columns, one of the chief results of the political crisis in Germany has been the triumph of the Conservative elements in finance. Dr. Schacht is to stay at the Reichsbank for a further four years.

Even two months ago his reappointment seemed extremely unlikely, since it was known that the Nazi leaders favoured giving the office to a man who would readily fall in with their schemes for large public spending. The return of Dr. Schacht to a position of power in the economic affairs of his country should be welcomed by the holders of German securities.

He has always stated that in order to improve German credit abroad, it is essential that, as far as possible, interest should be paid on external loans, and has opposed the idea of delaying payments until new agreements are reached. He will probably insist on the high rates of interest payable on the Dawes and Young loans.

We must assume that German economy will be controlled in accordance with the principles of financial conservative economics. Under the guidance of Dr. Schacht, the Bank for International Settlements will seek to introduce a system of credit control, and the Reichsbank will play a key role in stabilizing the currency.

It is probable that Dr. Schacht will reaffirm his policy, which will draw attention to the high rates of interest payable on the Dawes and Young loans.

We must assume that German economy will be controlled in accordance with the principles of financial conservative economics. Under the guidance of Dr. Schacht, the Bank for International Settlements will seek to introduce a system of credit control, and the Reichsbank will play a key role in stabilizing the currency.

As regards the Hitler coup, the virtual fusion of Austria and Germany does not make the preservation of peace in the world any easier. It is certain that the Nazi government will seek to expand its influence in Central Europe, and there is a danger that it may try to spread its influence to other parts of Europe. This would be a threat to the security of the democracies, and to the maintenance of the peace of Europe.

The reaction of the world is likely to be one of concern and alarm. The international community will seek to prevent the spread of Nazi influence, and to ensure that the democratic principles are upheld.

For those things he is standing against everybody else, because there are not enough meals and costs to go round. No system of governemnt, from authoritarian to anarchy, is going to remedy that situation by establishing and extending its hegemony. Hitler might conquer Europe, but he would thereby be no nearer to feeding and clothing Europeans.

Speaking of feeding and clothing, readers of The New Age will remember that it was an Austrian government which, soon after the War, was deposed by external aggression, though, that time, the aggressor was the League of Nations, and the object was to stop the Government from feeding the people with bread at below cost and financing the discount with new credit. This was the beginning of what might have developed into a Social-Credit experiment covering all the means of life. Colonel Reppington, in his Diary, is witness to the numerous signs of increasing business prosperity there at that time. The League, acting under central bankers’ advice, vetoed the scheme and made preparations to control the “International” price, and to move into Austria to quell disorders arising from disgraces occasioned by the withdrawal of the consumption-credits. This episode ought to be read up and discussed at the present time. It was a worse set back to the people of Austria than anything that Hitler has done over the week-end. The Austrian working man will now get his dinner this week as a “Nazi,” just the same as he did last week as a “Schuschnigg”—yes, and with a changing-of-the-guard spectacle thrown in.

To turn to another aspect of the coup it is curious how every event provides Bisle with a take-off. Hitler has scared the French politicians into accepting a “National government.” The take-off for Bisle consists in the fact that the obstacle to forming a new government at all was due to fears of re-election for budget-balancing purposes. Well, these politicians have now bought this re-election. So Hitler’s coup has facilitated the imposition of extra taxation in France. According to the Sunday Press, “Frances have improved”—and we are not surprised.

It is true that Hitler has provided politicians in every country with an argument for more armaments involving country with an argument for more armaments.
OIL FROM COAL.

Inventors, Investors and Obsolescence.

Obsolescence an unsalvageable risk involving uncompensated loss to private investors under present system.

A correspondent sends us the following letter:

Sir,—I have been engaged in this business for many years and, as a consulting chemist, I am familiar with the processes and capacities of various chemical industries. I have published an article on the subject of coal gasification in the New Age, and the readers of your paper will be interested to know that I have been able to show that there is a great deal of waste in the present methods of gas production. I have also been able to prove that the use of coal gas for illuminating purposes is uneconomical, and that a better and cheaper source of light can be obtained by the use of oil or electricity.

I have also investigated the question of the use of coal for the production of electricity, and I am convinced that it is possible to produce electricity from coal at a cost that is less than the cost of electricity produced from water-power.

Yours truly,

[Signature]

THE NEW AGE

March 16, 1938

CAPITAL IN PRICES.

In this Supplement Mr. Franklin replies to letters seriatim in footnotes. As we hold further letters necessary for the next Supplement, will correspondents write very briefly, if at all. We have referred to the letters throughout from editing or commenting on letters, but it is not our intention that there is a distinction between "depreciation" and "obsolescence" which needs to be made clearer.

Foreword

From J. A. Franklin.

I would like to thank Mr. L. B. Forrest for his precise answers to the questions I raised, but he fails to comprehend the difference between the terms "depreciation" and "obsolescence." The latter is a matter of fact, whereas the former is a matter of opinion. It is not my intention to cause confusion, but it is not my intention to prevent it.

Yours truly,

[Signature]

From R. C. Bart.

The fundamental and vital issues of Social Credit are the "flow" of capital, the cost of capital, and the remuneration thereof. It is not that the system works as Mr. Franklin contends. The system is based on Social Creditors and not on the banking system, and the cost of capital is not peculiar to Social Credit.

But since Mr. Franklin has drawn this red herring across the road in an attempt to deflect attention, I must point out that the cost of capital is not the only cost in the system. The cost of labor, the cost of materials, the cost of energy, are also costs in the system. It is not my intention to cause confusion, but it is not my intention to prevent it.

Yours truly,

[Signature]

THE NEW AGE

March 16, 1938

DEBATING SUPPLEMENT.
money borrowed from the person you owe it to, so A really has a right to C's goods, or the money value of them, since C's already paid A for them. Anyhow, I am sure Mr. Franklin's powers of argument would be able to prove this.  

Quibbling apart, however, what is generally meant by the idea that banks and their customers' deposits is that people who deposit money in a bank are lending the bank their money. This is not the case. The depositors do not part with the property of their money, but the bank borrows it. It is quite true that if you deposit $100 in a bank it is quite true that the bank can use it for its own purposes, but this is not the same thing as saying that the depositors are lending the bank their money. The bank is simply borrowing the depositors' money and using it for its own purposes.

I should like to add a few comments on the idea that banks are not lending money to their customers. This is a common misconception. Banks lend money to their customers when they make loans or issue credit cards. However, they do not lend money to their depositors. The depositors simply give the bank a promise to pay them back the money they have deposited. The bank then uses this money to make loans or investments, and it earns interest on these transactions. This is why banks can make money by lending money, even though they are simply borrowing the money of their depositors.

In conclusion, I want to say that while banks do lend money to their customers, they do not lend money to their depositors. Instead, they simply borrow the money of their depositors and use it for their own purposes. This is why banks can make money by lending money, even though they are simply borrowing the money of their depositors.
that human kind should have become divided within itself into classes and strata of society, into "haves" and "have-nots".

16. How, then, have classes been formed, except by the assumption and usurpation of power by the privileged over the unprivileged?

17. How are we, as a nation, used to read, or any vested interest or privileged class yielding its power and privileges without encountering resistance?

18. What has J. A., E. to lose by any change in the system which has brought into being this state of chaos which is called civilization? For his privilege to be taken away, a revolution would have to be staged in his favor.

19. Is it not of interest to ask, how is this "or his kind"—going to be any worse off? by reason of the fact that I and my kind are a little bit better off?

Thoreau has written of other questions which might be proposed, concerning which it should be observed that the time is ripe for the discussion of them. He will be known to the "brass tacks" and descend from the clouds of technicalities, he may conceive the light and darkness and the social conscience.

REPLY

Is it really a "cancer"? for a lawyer to go to economics for his egoism? It is not so. It is to the study of the ethics of law, that I do not go to an engineer for instruction. Nevertheless, if he had a patent on his own in some practice, I believe, I would be quite willing to listen to him. I have spent two years learning to Social Credit. I now reject the A plus B theorem for the same reasons that I reject Mr. Waitschaw's X plus Y theorem—that it seems to me the economists don't know their business. In any event, I am sure that this is not a question of degree but of principle. The claim that this process of investment is not an investment is a complete mistake. I am not going to be taken to the brass tacks and descend from the clouds of technicalities. I may conceive the light and darkness and the social conscience.

I am sorry that Norman Conger seems to doubt about my personal life. I do not think that his suggestion, but I would like to make a straight-to-the-point reply. Mr. Conger is of course the one who does not realize that he is doing a lot of little things that are not adding up to any big thing.

There is no such thing as a "Brown" bought. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Mr. Conger is of course the one who does not realize that he is doing a lot of little things that are not adding up to any big thing.

Our critic in revues (Supplement 2) that "If we consolidate our machine then the use of the first machine will be reduced. Thence the use of the new machine.

We are not paid for the replacement of the first machine. We have paid for the replacement of the first machine. They have not pay for the entire machine, but for the replacement of the first machine. There is no such thing as a "Brown" bought. Not the first machine. The first machine bought with the money that Brown has bought.

REPULSE

Hang it all! Surely it is not necessary for me to deny that I ever suggested that the manufacturers of Social Credit should be paid for their services. It was the best I could do. Well, sometimes I am looking for a way to get at the facts of our monetary and economic systems. I happen to think that a hundred pounds a week would be ideal for me and, of course, do not expect very much. I have made many proposals, but none of them are in any way questions, but I can promise the questioner that my replies are very dear.

(Yes) Yes, yes, yes.
(No) The work of human kind.
(Yes) Does social rank consist of service as a whole, but undoubtedly great wealth does excessive service to public and individual wealth. In the case of the Mayor, a belief that the social rank and wealth are equal. In the case of the Mayor, a belief that the social rank and wealth are equal.

When Major Douglas consistently confused service rank and wealth with some answer that it is not necessary to the maintenance of a system.

(Yes) No, I don't think so.
(Yes) He does serve mankind as a whole, but undoubtedly great wealth does excessive service to the public wealth.

(Yes) A real wealth; Major Douglas consistently confused service rank and wealth with money.

(Yes) Yes, I do.
As Norman Conger says, mankind is "growing in consciousness" and its consciousness, consequently, is necessarily that of intellectual and material gain. Certain individuals have become conscious of the society in which they are living. If I have 1,000,000 in the vast majority of cases, putting it to the use of the money to the society in which they are living. In this case the production of goods is not being reduced by the union of the costs and income.

I am sure that this is not the answer to the questioner. In this case the production of goods is not being reduced by the union of the costs and income.

Nemo's last paragraph is nearly, but not quite, correct. In the case of the bankers, they are the same, and, of course, very different from the hiring of a share in a public car. The car-owner enjoys the privilege of excluding the use of his car, and the bank-owners do the same, and, of course, very different from the hiring of a share of the public car. They are entitled to a share in the public car.

Press Pointers

Our critics in revues (Supplement 2) that "If we consolidate our machine then the use of the first machine will be reduced. Thence the use of the new machine. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced. Not the first machine. The first machine bought with the money that Brown has bought. This is the principle of the machine to be replaced.