

THE
NEW AGE

A WEEKLY REVIEW OF POLITICS,
LITERATURE AND ART - - -

EDITED BY ARTHUR BRENTON

VOLUME LI (NEW SERIES)

MAY 5TH, 1932, TO OCTOBER 27TH, 1932



LONDON:
THE NEW AGE PRESS, 70, HIGH HOLBORN, W.C.1.

1932

INDEX.

VOLUME LI (New Series).

A
 About the League. 282, 292.
 Anatomy of War. 18.
 Another Reply to Douglas. 310.
 Australian Affairs. 89, 183, 279.
 Australian Bank Propaganda. 257.
 Australian Campaign. 295.
 Australian Notes. 234.

B
 Bank Officers and Bank Robbers. 6.
 Banks and Protection. 27.
 Beaverbrook Credit Scheme. 30.
 Belfast Riots. 297.
 Benn on Providing Employment. 304.
 Birth of a Plan. 184.
 Brand's Essence of Unity. 40.

C
 Capitalism and Christianity. 245.
 Cartoon. 23, 35, 47, 59, 71, 83, 107, 119, 131, 143, 155, 167, 191, 227.
 Cole's Blind Spot. 165.
 Control of Inflation. 112.
 Conversion and Insurance. 198.
 Co-operative Societies and Income Tax. 307.
 Copeland and Social Credit. 294, 306.
 Correspondence. 10, 22, 46, 57, 72, 82, 107, 118, 130, 142, 154, 168, 178, 189, 203, 215, 226, 239, 250, 262, 274, 287, 299, 311.
 Cost of Credit 198.
 Cotton Trade Troubles. 236.
 Coventry Scheme, The. 77.
 Credit Monopoly and its Alternatives. 51.
 Crime and Insurance. 233.
 Critique of the A + B. 138.
 Current Plans and Planners. 158, 172.
 Current Society. 212, 225.

D
 Douglas Theory, The. 221.

E
 Echo of the Kysant Case. 305.
 Economy not Economania. 161.
 Exorcising the Interdependence Devil. 114.

F
 Films. 8, 19, 44, 57, 68, 79, 91, 104, 116, 128, 140, 151, 176, 188, 210, 225, 238, 258, 284, 296, 305.
 Finis Coronat Opus. 213.
 Flogging for Money Snatching. 124.

G
 Germ Theories and Riots. 304.
 Government Credit. 197.

H
 Habbakuk. 309.
 Happy When They're Hiking. 69.
 Hoover and Disarmament. 100.
 Human Sterilisation. 33.

A
 A. B. 187, 209, 223, 235, 310.
 A. F. W. 308.

B
 B. 214.
 Burbidge, D. W. 204, 306.

C
 Carroll, R. 211, 297.
 Clark, F. le Gros. 18, 150.
 Class P. 81.
 Cousins, H. 41, 66, 76, 90, 102, 115, 125, 139, 149, 161, 200, 208, 223, 248, 272, 295, 308.

D
 Douglas, C. H. 51, 101, 159.

E
 E. O'D. 298.

F
 F. G. 165.

I
 Interest. 4.
 International Finance. 101.
 Ireland. 113.
 Ireland and Interdependence. 113.
 Irish Affairs. 46, 220, 257, 268, 281.
 Irish Labour Policy. 244.

J
 Jewry and Civilisation. 141, 152, 162.
 Junketings of Eisler, The. 17.

K
 Kingston Currency. 257, 269.

L
 Land Confiscation. 30.
 Lausanne Conference. 87.
 Lausanne Settlement. 126.
 Law and Obscenity, The. 222.
 Laws of Arithmetic. 163.
 Lesson in A + B. 208.
 Liberal Fascism. 174.
 Liberal Fascisti. 199.
 Little Lessons from Lenin. 16.
 Logical Pacifist. 100.

M
 Mal-Distribution of Income. 159.
 Means Test in Rotherham, The. 114.
 Mechanisation. 286.
 Morals and Economics. 115, 125, 139, 149.
 More Psycho Analysis. 260.
 Mr. Hobson Seeing it Through. 214.
 Mr. Montagu Norman in America. 208.
 Mystere of Banking, The. 76.
 Mystery of Madness. 214.

N
 Nature Notes. 259, 272.
 "New Age" and the Press. 147.
 New Economics, The. 159.
 "New Era," The. 152.
 News Notes. 71, 80, 93, 177, 189, 303.
 Non-Stop Variety. 94.
 Notes on the Barney Trial 129, 142, 153, 166, 173.
 Notes of the Week. 1, 13, 25, 37, 49, 61, 73, 85, 97, 109, 121, 133, 145, 157, 169, 181, 193, 205, 217, 229, 241, 253, 265, 277, 289, 301.
 Nussbaum on A + B. 202.

O
 Obiter Scripta. 285, 308.
 Obituary. 189.
 Owt for Nowt. 310.
 Oyster, The. 298.

P
 Personal Reaction to Social Credit, A. 190, 202.
 Phrenology and Politics. 185.
 Physical Measure of Monetary Cost. 124.
 Political Purge. 201.
 Politics and Postures. 249.
 Post Office Reform. 207.
 Professor Copeland and Social Credit. 239.
 Property Titles and Property Rights. 196.
 Public Health in Britain. 214.

INDEX TO AUTHORS.

G
 Gordon Cumming, W. M. 189.
 Grimm, John. 114, 185, 249.

H
 Hargrave, J. 69, 116, 199.
 H. C. 285.
 H. G. B. 285.

J
 J. G. 163, 202, 304.
 J. H. 310.
 Jot. 23, 35, 47, 59, 71, 83, 107, 119, 131, 143, 155, 167, 191.

M
 Mackey, Haydn. 227.
 Montgomery, Eric. 282, 293.
 Montgomery, Neil. 33.

N
 N. M. 214, 260.

O
 Ockham, D. 8, 19, 44, 57, 68, 79, 91, 104, 116, 128, 140, 151, 176, 188, 210, 223, 238, 258, 284, 296, 305.

R
 Reflation and Barter. 76.
 Reply to W. J. Brown. 81.
 Retiring Consumption Credits. 209, 223, 235.
 Return to Gold, The. 137.
 Review of "The Times" Articles. 232, 246.
 Reviews. 34, 81, 94, 118, 154, 166, 190, 215, 239, 250, 260, 287, 298.
 Revolutionaries and Revolutions. 44.

S
 Science and Economics. 231.
 Science à la Carte. 309.
 Snowden on Norman. 280.
 Social Credit and the Law. 123.
 Social Credit and the Professions. 285.
 Social Credit Campaign Notes. 177, 284.
 Social Credit Lecturing Technique. 21, 33.
 Social Credit in Australian Picture Press. 275.

S
 Social Credit in Dominions. 153.
 Social Credit in New South Wales. 32, 261.
 Social Credit Press. 29.
 Social Credit Propaganda. 246.
 Social Credit Press Mystery. 207.
 Social Credit Statement. 164.
 Sociology and the Law. 54.
 Stalin. 129.
 Stocks and Shares. 102.

T
 Theatre Notes. 7, 20, 43, 55, 67, 78, 90, 103, 127, 211, 237, 247, 258.
 Theme for Elaboration. 206.
 "The Times" and Mr. Mellon. 88.
 "The Times" and the Liberals. 6.
 Treasury Bond Issue, The. 291.
 True Significance of Unemployment, The. 286.
 Two Stories. 188.

U
 Ultimate Ownership of Property, The. 187.
 United States Affairs. 292.
 Unit of Use. 116.
 Unlicensed Reflationist, The. 113.

V
 Variations on the Hitler Theme. 200, 208, 223, 248, 272, 295.
 Vote and the Dividend. 66.

W
 Waterlow Judgment. 9, 31.
 Weakness of War. 150.
 Weavers' Strike, The. 212.
 Why not Budget for Surpluses. 65.
 Why Pay Taxes. 270.
 W. J. Brown on Social Credit. 282.
 Who's Game? 189.
 Who's Who. 171.
 Who Will You Send to Fetch Her Away? 174.
 World as Puzzle, The. 90.

Z
 Zarahoff's Visit to Hoover. 32.

P
 Pastiche. 249.
 P. McD. 240.

R
 R. 188.
 R. R. 259, 272.
 Rigby, S. 236.

S
 Shand, John. 7, 20, 43, 55, 67, 78, 90, 103, 127, 237, 247, 258.
 Sorabji, K. 45, 92, 105.
 Smith, J. T. 221.
 S. R. 16, 129, 184, 201.
 Symonds, W. T. 174.

T
 Taylor, F. 141, 152, 162.

Z
 Zerver, Anob. 273.

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2069] NEW SERIES Vol. LI. No. I. THURSDAY, MAY 5, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	1	THE FILMS. By David Ockham	8
The Waterlow Case—Lords' Judgment.		<i>Mädchen in Uniform.</i>	
INTEREST. (Editorial)	4	THE WATERLOW JUDGMENT	9
<i>The Book.</i> (W. Coin Harvey.)		(Extracted from <i>The Times's</i> report.)	
BANK OFFICERS AND BANK ROBBERS. (Editorial)	6	CORRESPONDENCE	10
"THE TIMES" AND THE LIBERALS. (Editorial)	6	Anthony G. Hepburn, Hugo Rey, M. A. Phillips,	
THEATRE NOTES. By John Shand	7	C. E. M., A. W., J. M., A. E. N., S. Z., H. C.	
<i>The Merchant of Venice</i> (St. James's). <i>Heart-</i>		Munro, "An Overseas Editor," Vernon Sommer-	
<i>break House.</i>		field, Ernest A. Dowson, Ian Alastair Ross (Kibbo	
		Kift), N. M.	

NOTES OF THE WEEK.

By a majority of three to two the House of Lords have confirmed the two-to-one majority of the Appeal Judges who had confirmed the judgment of Mr. Justice Wright that Messrs. Waterlow and Sons are liable to pay damages to the Bank of Portugal on the basis that notes in the hands of a bank of issue are worth their face value to the bank. Messrs. Waterlow had submitted all along that the notes had the value simply of printed stationery to the bank, and only acquired their face value in the hands of private individuals.

The case has lasted forty-three days and the parties have spent £150,000 between them. As a result we are faced with the spectacle of the keenest minds in the Law being unable to agree on a question of fact, and ascertainable fact at that. We can only surmise that the three Lords who found for the Bank of Portugal were driven by the revolutionary nature—the apparently axiomatic absurdity—of Messrs. Waterlow's submission to distrust the sufficiency of Mr. Gavin Simond's reasoning. However convinced they may have been that Mr. Gavin Simond's conclusion was unanswerable within his chosen frame of reference, it seems likely that they tried to reconcile the conclusion with their general experience of financial, commercial, and private theories, opinions, and practices, and found that they were unable to do so. For example, we can understand and respect a line of reflection somewhat as follows:

It seems conclusive that these notes cost nothing, and that the Bank lost nothing by paying them out. But if that is really so surely the Bank must be aware of it. Is it credible that a fundamental fact of this nature, if it be a fact, should be first discovered by persons outside the banking profession? Is it a tenable hypothesis that the Bank does know it to be a fact when one takes into account such things as the arrest of the Governor of the Bank and other symptoms of agitation both on the part of the Government and of the Bank's directors?

Lord Justice Atkin seems to have allowed weight to the contingency that at some future time the Bank of Portugal might again have laid upon it the liability to convert notes into gold on presentation. Even so, its "loss" in doing so would still be open to question.

If a Bank, by issuing a note and then having to cash it (presumably in gold) loses an asset (as his Lordship held) then the asset lost is the value of the gold. But the same question now arises in exactly the same form as did that of the value of the notes during the case. That is to say, its value in the vaults of the bank, and its value to a person who draws it out of the bank, should be differentiated on the same basis as was applied to the assessment of note-values by Messrs. Waterlow's counsel. On the basis that the cost (and therefore value) of a note to the bank is the cost of printing it so is the cost of gold to the bank the cost of recording the bank's purchase of it, or the cost of writing and signing a bank draft to pay the seller. For, assuming the seller demands notes for his gold, and supposing he has an ounce of gold worth £4 then the bank will pay out four £1 notes. Assuming the printing-cost of the four notes is fourpence, then the cost of the gold to the bank must be fourpence. In a phrase, the (internal) vault-price of gold is fourpence per ounce, as against its (external) exchange-price of four pounds an ounce. You have two clearly distinguished indices of valuation and represented respectively by vault-measurement and exchange-measurement. The *vault* connotes money in its static, inactive, and useless condition: the *exchange* connotes it in its dynamic, active and useful condition. Money at rest is not at work: and there is a strong *prima facie* case for differentiating between its working-value and its resting-value.

When in 1914 the Bank of England adopted a paper-currency the directors gave out the assurance to the public that a pound note was "as good as a sovereign." They were quite right: the piece of printed stationery, *in exchange*, was the equivalent

of the piece of metal, *in exchange*; and the standard of equivalence *in exchange* was "one pound sterling." Both would do the same work equally well. Similarly, *in the bank-vault*, a pound note is "as good as a sovereign," or rather, as *bad* as a sovereign. Both lie equally still on the shelf. But the standard of equivalence here is, not one pound, but, say, one penny. The difference is something like that between a dole and a wage.

When a note comes out of the bank into the hands of a citizen it is lifted up from the plane of static equivalence with gold to that of dynamic equivalence—from the penny level of equilibrium to the pound level. And the ascent in its value represents the raising of its virtue from the low to the high potential of economic activity. The citizen, representing the community, is going to use the pound to assist the production of something which, without it, would not be produced at all. Money is the catalyst of economic enterprise. And it is the community's willingness and power to work which imbues the catalyst with value. Money has been well defined as the *right of action*; so that the "value" of money as an "asset" is really the measure of its equivalence with the real wealth (goods and services) resulting from the action of which the money confers the right. Notice the time-sequence: the value of the money-asset, in this real-wealth aspect, is non-existent at the time when the community acquire it from the bank: the wealth begins to come into existence following the transfer of the money.

It follows that when a bank of issue claims the right to receive exchange-value for vault-value, it is in principle laying claim to all the goods and services which those notes are going to enable the community to make. But since these items of wealth are not yet in existence at the moment of the issue of the notes, while at the same time the bank demands immediate satisfaction of its claim, the essential result of such satisfaction is that the bank's claim becomes retrospective in its incidence, and requires the transfer to the bank (or the pledging to the bank—which is the same thing) of wealth already in existence.

The import of this can be realised if we relate the money-formula "right of action" with "licence to prospect." In principle the community are prospectors wishing to make borings and sink shafts in the reefs of their natural resources in order to secure their well-being in paying quantities. Very well. Suppose that the Government grant some institution a Charter to issue licences. Could that institution claim "equivalent value" for the "loss" of a licence? Yes, on one assumption: namely that its Charter had vested in it the ownership of the whole prospecting area and the wealth beneath it. For then, of course, its Governor would have the right to say, to any would-be prospector: "Yes, I will let you have a licence for prospecting in such and such a place provided you give me such and such a proportion of what you find there." In that case it is clear that if some unauthorised individual sold a licence to such a prospector, the institution would suffer a real loss if it issued to him an authentic licence merely in exchange for the ill-licit one. Now this exactly represents the attitude taken up by the Bank of Portugal, and approved by three Judges in the final Court of Appeal. Their judgment implicitly declares that the material resources and the human resourcefulness of Portugal and the Portuguese people are the property of the Bank of Portugal. The Bank's case amounted to this: "Owing to Mr. Marang's issue of licences

we've got a lot of unauthorised prospectors working on our property, and as we dare not turn them off, Messrs. Waterlows ought to make good to us the loss accruing from their mining operations."

Sometimes in a Court of Law, when the jury return a composite verdict in response to a series of specific questions, a legal argument supervenes to decide the meaning of the verdict. In the present case the Lords' several judgments are something in the nature of such a verdict. On the fundamental question three say that the Bank succeeds and two say that it does not. On the other questions, which came within the customary orbit of jurisprudence, their Lordships were substantially in agreement. In respect of one of the latter, namely the question whether the Bank of Portugal acted reasonably in honouring the illicit notes instead of telling the innocent recipients that they had lost their money, it is encouraging to note that their Lordships answered in the affirmative. We commend this fact to the notice of the Bank of England on the one hand, and to that of the public on the other: for in these days when financial mismanagement in high places is making criminality fashionable in high society one can never be sure that there may not be a flood of forged notes let loose in this country. But, to revert to their Lordships' verdict. It cannot be subject to legal argument as in the case of the other verdicts, for it is itself the product of legal argument, argument in which all the facts which the Law could survey were surveyed. Nor can the case be taken to a higher Court, or officially re-opened in any way within the rules of the Constitution. But there is yet such a thing as the Bar of Public Opinion (although it bears the bar sinister of Press opinion) and it seems reasonable to suggest that every member of the public competent to form a judgment on the evidence should be allowed access to it. When doctors fall out, laymen must prescribe on their own. And when the Law's best gives an inconclusive result, there is strong presumption that the clue to the conundrum lies in the extra-legal pool of public experience and common sense. In our opinion there ought to have been a jury in the original action. For as concerns the fundamental issue in this unprecedented case the layman is not less, and probably more, competent to assess the relevancy and the cogency of the evidence brought before the Courts. And what is more important, he would probably have been quicker to miss and call for, relevant evidence which was not brought before the Courts. As it is, the omission can be rectified by the publication of counsels' concluding arguments in the House of Lords at a cheap price. The publishers would get their money back all right, and the only doubt is whether publication is allowable. Will some Member of Parliament get a move on about this?

The majority judgments exhibit frequent evidences of the crossing of factual planes. Facts of varying degrees of relevancy and cogency appear to have been mixed together without sufficient discrimination. The meaning of the judgment is thereby obscured much in the same way as could be the meaning of statistical results based on unweighted averages. Its occasional lapses into rhetorical expression are symptomatic of uncertainty. In the nature of the case it had to be so, for though, as the Lord Chancellor said, "There is no doubt about the law," he continued: "the real difficulty is to apply it to the peculiar facts of this case." The cause of the difficulty is that during the last century the principles, rules, customs and procedure of the bankers have, so to speak, insinuated themselves into the common law of the land.

Before any step to a sound judgment is possible the first task of a judicial authority would be, not to apply the "law" to "peculiar facts," but to apply the broad Rule of Law (in Lord Hewart's sense) to the narrow code of law surreptitiously built up by bankers and applied by them, at one moment to supplement the wider Rule, and at another to supersede it, according to which happens to suit their interests.

For example, take one question. Is the Bank of Portugal an integral part of the Government of Portugal? That is of fundamental importance, and yet not a word in the judgments is said about it. Plenty is said about the "bank's" assets, the "bank's" credit, the "bank's" duty—all of which is only intelligible on the assumption that the bank is a private enterprise subject to the risks of all commercial competitive enterprise, *together with those contingent upon Governmental "interference."* But against that assumption must be placed the universally established doctrine that the credit policy of the banks shall be free from political interference of any kind. High Ministers of State in all the Capitals of the world can be cited as having publicly subscribed to the doctrine. The vital need for this key question to have been elucidated prior to any other is exposed time and again in the text of the judgments. One example is where the Lord Chancellor said that (*The Times* report) "He had come to the conclusion that the bank would have been failing in their duty to their shareholders, their customers, and their country, if they had not taken the step they did." This language is only compatible with the assumption (1) that the Bank's own account of what would have been the inevitable consequences of its failure to take the step was true; (2) that the Bank was a private institution, and that therefore (3) the Government was under no obligation to intervene to avert those consequences. Briefly, the Lord Chancellor's conclusions would be logically applicable supposing the Bank of Portugal had enjoyed the exact legal status of Kreuger and Toll. The difference between the two cases is that Kreuger and Toll's "duty to their shareholders, customers, and country" could not be legally fulfilled. The whole point is that the step of issuing the new notes became a *duty* because it was a *legal* step. It was a duty because the Government authorised the Bank to perform it. Further, so far as we remember, no evidence was tendered that this Governmental authorisation was conditional, or that it otherwise held out a penalty over the head of the Bank if it failed to recover £600,000 worth of gold out of England. If this is so (and we believe it to be so) then one of two things (a) the Portuguese Government broke the constitutional rule of observing impartiality towards all private enterprises over which it ruled: or (b) that the bank was not a private enterprise at all but a Department of the Government. Accept the latter, and then the Lord Chancellor's conclusions are applicable. The "assets," the "credit," and so on, are now the Government's; the "duty" of the Bank is now the duty of the Government; the loss incurred in performance is the Government's; and lastly, the *onus of proving and quantifying the loss is also the Government's*.

The reason why the Bank of Portugal appeared as the principal in the Action was political. It was fighting for the maintenance of the fiction that currency and credit are the property of banks. In doing so it was fighting on behalf of the whole international system of bank-finance. Whether it got damages or not did not matter: it was the gesture of demanding them that it wanted the world to witness and remember. If it had lost, it had means of visiting the consequences on its shareholders and the community in general; and would no doubt have taken them, probably by sponging up its "loss"

from Portuguese taxpayers with the connivance of its sleeping partner, the Government.

An important consequence of the Bank's appearance in guise of one private institution in an action against another was that ordinary English Courts were placed in the invidious position of having to adjudicate on what was at bottom an Anglo-Portuguese issue, the moral and monetary import of which was of such dimensions as to attract world-attention. Our Judges had to apply the English national rule of law to an international issue, which it obviously could not be expected to measure. And, as Mr. Norman Birkett said during the original action, the atmosphere among the Portuguese public was such as to suggest that in that country the issue was regarded as international, so much so that, he said, he had great difficulty in getting any information from the Portuguese legal profession on points of Portuguese law. Knowledge was prohibited from export to England in the interests of Portugal. This state of affairs could not help surrounding the proceedings in the English Courts with a sort of Honolulu atmosphere. Judgment for Waterlow's could have been colourably represented to the Portuguese public as reflecting the British Government's and the Bank of England's objection to the transfer of £600,000 worth of gold bullion from London to Lisbon. And the plausibility of such an allegation needs no elaboration in face of the frantic propaganda by bankers about the scarcity and unfair distribution of this precious metal in the world. Logically, the case should have been tried in a "neutral" country. However, when everything is weighed up, the victory of Portugal may prove to be a victory for Britain's reputation abroad for fair play, and for British Judges' reputation for independence from political influences. These moral gains are probably worth more than the gold to the Government and the country. But insofar as that is true, the infliction of the cost on Messrs. Waterlow's is not fair dealing. It should be spread over all the interests who stand to gain by the international advertising-value attaching to the Judgment. Here's a chance for the Big Five to do one more good turn. If they could let cotton-spinners off overdrafts of half-a-million without noticing it, another little purse wouldn't do them any harm.

The importance of this case to students of monetary theory needs no emphasis. It will give tremendous impetus to the study of the theory in legal circles, i.e., in quarters where the axiom rules that for any submission to succeed it must be intelligible. Off duty a lawyer is as prone to fall to the spell-binder as anyone else: but on duty he rigorously rules out incantations and passes. Accordingly, as will be seen from the extracts from the judgments printed elsewhere, the case for the Bank has been put into a comparatively intelligible form, and supported by arguments sufficiently definite to permit of logical disproof. This is a great advance on the bankers' case as presented—or rather, alluded to or hinted at—by themselves. It is true that several important arguments proceed from unexamined assumptions; but considering the limitations of time and opportunity, and remembering that the duty of collecting the evidence rested, not on the Judges, but on the parties, who would each be presumed to have brought to Court all that they thought necessary to support their respective cases; the incompleteness of the elucidation was to be expected. But a start has been made. And the contradictory results of the narrow survey make a wider one inevitable; for the Law cannot lie down to the spectacle of Lords Justices Sankey, Macmillan and Atkin contradicting Lords Justices Warrington of Clyffe and Russell of Killowen on the question of the principle of valu-

ing a bank-note. It is encouraging to note the continuous progression of support for the right principle as the case proceeded through the three Courts. First, there was no support, Mr. Justice Wright upholding the opposite principle. Next we had Lords Justices Greer and Slesser following Mr. Justice Wright and Lord Justice Scrutton opposing. Lastly, we have the division just described. In figures the sequence was as follows:

Should the Bank recover face-value?

	Ayes.	Noes.
(a)	1	0
(b)	2	1
(c)	3	2

The healthy significance of these figures is in no way abated by a comparison of the calibre of the minority judges with that of the majority.

Without close and systematic study of the credit-system legal opinion on matters of finance is comparable to lay opinion on matters of law. In our reprint from the Judgment, paragraph 9, notice (a) the last line: "a bank of issue received value for every note it issued." (The Lord Chancellor.) In paragraph 10, line 3, he says (b) that the notes of a bank of issue "might be advanced as loans to the Government." In line 9 he speaks (e) of the bank as "obtaining the currency value" of notes, and illustrates his meaning by instancing its possible purchase of gold, or securities, or its possible use of the notes to pay its debts. In paragraph 13, last line, he emphasises (d) the fact that when notes come out of the bank's "cellar" and enter circulation "their value is entirely changed." In paragraph 14, line 5, he supplements this with the statement (e) that the issue of the note and putting it into the currency of the country . . . made all the difference. In paragraph 11, line 3, he poses the problem by (f) imagining an Englishman to enter the Bank of Portugal and cashing a £5 note; and a Portuguese to enter and cash a forged note. In the first case the bank has "obtained five pounds of English money," in the second case it has obtained "a worthless forged note." Then he continues (g) that it is of no use to say that the bank had "suffered no damage because they could print and issue a third . . . note should they desire to do so." "For that note they could also have obtained value." Surveyed comprehensively it is obvious that the doctrine of a central-bank's beneficial ownership of the currency it handles has been adopted as the basis of the argument.

Point "a" represents the bank as having the right to receive value for every note it issues. Very good; but if it has, whence does the right arise unless the bank is obliged to deliver value for every note it receives? So it is, we suppose his Lordship would say: and the statement is correct if the value is defined as currency-value and if the receipt is from a customer of the bank. But that is skipping over a fundamental question of fact preceding this shuttling of currency-values between the bank and its customers. Whence, and on what conditions did the bank get the notes in the first place? The answer is beyond argument. The bank either received them from the Government or received permission from the Government to print them. On the hypothesis that the bank is a private institution it will not be contended that the Government gives the bank the property right in the notes which it can use to obtain "value" for itself. If so, every other private institution would have a right to get its share of this "something for nothing." No, the bank receives or prints the notes as trustee for the Government in exactly the same way in which the hypothetical Government in our former illustration appointed an institution to issue prospecting

licences. Now the Bank of Portugal is such a trustee; and the only circumstance in which it could prove loss in a commercial sense by reason of its having expanded its issue of notes, would be that in which the Government had the right under the Charter, and proposed to exercise it, to inflict a monetary penalty on the legitimately accumulated reserves of the bank and its shareholders to the amount of the face-value of the note-expansion. In that case the bank could fairly say to Messrs. Waterloo's: "We demand £600,000 from you because we have to pay £600,000 of our own money to the Government." But then, no Government would reserve a right of this sort. There would seem no sense in it. The Government's purse is the community's purse; and, though an advanced student of Social Credit could construct a plausible argument why a bank should pay a fine to the community for expanding credit under the present system, we are quite certain that neither the Portuguese nor any other Government would order it to be done. But we need not pursue the argument further along this line, because in all its financial legislation the Government acts by the advice of the bankers. The central bank owns the Treasury, and the Treasury governs the Cabinet.

Interest.

We have just received a copy of a book* from the United States on finance by Mr. W. H. (Coin) Harvey. If profiteering in terms of interest charges were all there was to banking Mr. Harvey's book would rank among the first flight of such works in terms of importance. Even as it is, a good many of his facts, in combination with his clear and entertaining style of expression, will afford stimulus and edification to the student and teacher of Social Credit. So far as it goes, it is a potent generator of the sort of atmosphere in which the public will be responsive to the fundamental issues in the economic problem; and for that reason we are interested to see that Mr. Harvey claims to have sold 1,500,000 copies. He advocates the abolition of interest, the monopolising of banking by the Government, the redemption of loans by service, an initial five-year moratorium of all debts (excepting those due to poor people). Thus he appears to have satisfied himself that if he can only bring about an equitable distribution of money the corresponding physical benefits will automatically follow. We say "appears," because directly he arrives at the point where he is able to show an improvement in the financial condition of persons or groups resulting from the adoption of his proposals he seems to think the job is done. Paper dollars and tangible dollars-worths are to him one and the same thing; in counting one he assumes he is counting the other. The assumption proceeds logically from his main postulate that the master evil in the world to-day is Usury, which he identifies with Interest. And with regard to the question of Interest his emphasis is not on the moral question of whether the practice of charging it is good or evil, but on the fact of the huge amount of it that is charged. Thus he points out that the United States is a country of "billionaires and paupers"—indicating that the poor are poor because the rich are rich, and that the rich are rich because they have the power to levy interest. Like Mr. J. A. Hobson, he would rectify the mal-distribution of income, but, unlike Mr. Hobson, considers that a Government banking system conducted at the cost of the service would

* "The Book." By W. H. Coin Harvey. (The Mundus Publishing Co., Monte Ne, Arkansas. 224 pp. Price, paper, 25 cents; cloth, 1 dollar, post free. "Special price for quantity lots.")

do the trick. This idea is of no technical value, but Mr. Harvey's identification of bankers with Usury, and his exposure of their methods of manufacturing credit, give his advocacy of it some incidental political value. That is to say, the ordinary public (and the sales of the book suggest that Mr. Harvey's audience is a popular one) will be better prepared for understanding the complete remedy by studying a book like this than if they were left unaware of the facts contained in it. The danger is that they will take Mr. Harvey's conclusions as final instead of regarding them as a tentative hypothesis. Mr. Harvey himself seems to have taken them as final, for last August he formed what is known as the "Liberty Party" to push his scheme as a political programme to be voted on and otherwise dealt with by Parliamentary methods. He even has a clause in the party manifesto which reads: "We pledge our candidate for President to accept only one third of the salary now provided for him by law, to teach by example the principle of service for the Common Good." If that is how he feels we should say that before long the Liberty Party will become a Liberty Bondholders' Party.

We should not, in the ordinary way, comment at length on proposals like Mr. Harvey's because they all fall into the same category:—"Let's have plenty of cheap loan credit," but he says one or two things which suggest that he is ready to widen his researches, or at least is capable of doing so intelligently. We think that in the first place the following remarks, addressed to a certain group of Social Credit students, are worth the attention of Mr. Harvey, in particular, and all sincere reformist leaders conducting campaigns against the banking monopoly.

"By far the greatest danger which faces the question of financial reform, even from the strategic point of view, is the failure to recognise that it is essentially a military problem, by which I mean exactly what is meant by the technical definition of war, which is 'action taken to impose your will upon an adversary or to prevent him from imposing his will upon you.' Under this conception, it is just as easy to put over a correct scheme as an incorrect scheme, and further, it is quite legitimate to assume that if you do find it easier to put over an incorrect scheme it is because your adversary expects to reap some tactical advantage from your becoming responsible for a scheme of this character.

"I am personally in no doubt whatever that the essential point round which the whole of the financial situation turns is the involuntary reinvestment, through the agency of prices, of individual purchasing power which will again reappear in further prices. This is not at all the same thing as the pure reinvestment theory; and the mechanism by which this continuous, automatic, and involuntary reinvestment takes place is by the cutting up of production costs into a large number of stages, resulting in a looping of the same purchasing power through the channels provided by the payments to productive organisations. Unless we insist on this, we have no firm grounds for insisting upon the remedy which we have put forward, which fundamentally I believe to be the only effective remedy if we are to retain a money system at all, in the European sense of the word. It is not in the least necessary that everyone, or even a considerable number of people should understand this, but it is highly necessary that it should not be admitted that we do not understand the basis or the strength of which our remedies are put forward."

In the light of these remarks we suggest that the sale of 1½ million copies of Mr. Harvey's book (in about eighteen months) should arouse suspicion that

the bankers have little or no reason to object to his attack on Usury. We concede the fact that banking in the United States is not trusted to the extent it is in this country, and that banking interests there do not command such quick and thorough means of suppressing or boycotting "dangerous" views. But trustification is in process, and Mr. Harvey's thesis really amounts to a demand for complete trustification; for that is what would happen when the powers of the bankers were merged and vested in the United States Government. The process is seen in the numerous failures of banks recently, all of which lead to a concentration of power in the hands of the remaining banks.

The master-bankers are quite willing for Mr. Harvey to prophesy against exorbitant interest, and in fact would be prepared, in return for complete control over United-States banking, to run the service as cheaply as Mr. Harvey assumes the Government would do. The reason is that they are not concerned with the profits of interest. What concerns them is to maintain the principle of charging interest. Mr. Harvey does indeed call for the principle of loans without interest; but for the wrong reason, namely the present heavy burden of interest on the people. He thus leaves the way open for the bankers to strike a bargain with his supporters over his head on the mere matter of rates of interest, whereas what is necessary for his ultimate object to be attained is that their lending-policy is subjected to Government control. Nationalisation will not do it, because the Government, which in form takes over the control, will still have to take the bankers' advice how to use it, partly because it does not know how, and partly because if it did, and tried to use it that way, the banks could overthrow it if they disapproved by refusing to lend at all.

This leads directly to the real value of the "interest" privilege to the bankers, namely that the power to fix a rate of interest is the power to decide who shall borrow, and on what conditions. Any bank-rate is a tacit claim by bankers to property-rights in the money they control. A study of Major Douglas's analysis of the present credit-system will suffice to show that it is technically possible for the bankers to sacrifice all their profits and yet prevent any benefit accruing to the community thereby. We hope Mr. Harvey will make that study.

MAJOR DOUGLAS AT GLASGOW.

The meeting on April 26 packed out St. Andrew's Hall, the attendance being estimated at 3,000. We have received cuttings of reports in seven newspapers, those from the Glasgow Evening Times and the Glasgow Herald both running into something like 30 inches single-column length, and the others averaging about ten inches.

Everybody who entered the hall received a copy of Major Douglas's Scheme for Scotland, which had been reprinted from the Glasgow Evening Times, together with the article which preceded it in that paper, entitled "Social Credit—An Exposition for the Plain Man."

All reports agree on the attentiveness of the audience, but for the rest confine themselves to reproducing Major Douglas's remarks without comment. One reporter allusively referred to him as the "imperturbable speaker."

POINTS FROM MAJOR DOUGLAS'S SPEECH.

Inflation.

"What is the difference between the Douglas Scheme and ordinary inflation?"

Major Douglas.—"I should say it is the difference between a rabbit and a lemon; there is no relation between the two."

Difficulties of Understanding Social Credit.

"The real reason why people do not understand my views is that they do not understand the present financial system. If they do not take the trouble to understand that, then they will not understand what I have to say from a technical point of view. But it is not necessary that everyone should have a perfect technical understanding of the scheme. The main thing is to get into the minds of the people the broad lines of the policy which is put forward. That is within the grasp of anyone."

Bank Officers and Bank Robbers.

It is to be hoped that the Lords' Judges in the Waterlow Appeal will hurry up and decide what the facts are concerning the true value of currency notes in the hands of a note-printing and note-issuing bank.* Apart from other reasons there is an urgent human reason. For if, as Messrs. Waterlows have contended, unissued notes are simply pieces of stationery worth only the cost of printing, many lives have been risked or lost unnecessarily by bank officials in their attempts to foil thieves. One official, Mr. J. Poore, was badly injured at Portsmouth on April 25, in attempting to stop thieves getting away with £23,000 currency notes which they had snatched from him. This gentleman's life or health may be poor things, but they are his own. And though currency notes may be valuable things, these were not his own.

We would not like to see the spirit of self-sacrifice eliminated from human nature, but we would like to see it reserved for appropriate occasions, and exercised with a truer sense of proportion. In this case there are two special circumstances which mark it as the wrong occasion for such a magnificent excursion outside the cricketing code of behaviour. In the first place the value of such "property" is now legally in doubt; and in the second, its ownership also is in doubt. We ourselves hold, and can sustain by strong evidence, that these £23,000 currency notes were worth, say, one penny each; and that in any case they belonged to the public—or, if preferred, belong to nobody. Hence we conclude that Mr. Poore's bravery had no rational basis, and amounted, in that strict sense, to a dereliction of his duty to himself and his own. A crack on the skull from a robber is not the just price for a pat on the back from a banker.

We will concede one point that might be made, namely that promotion in the bankers' service depends on this sort of devotion to their service. But this leads on to the point that the attempt to foil a thief is instinctive. It is practically certain that even if Mr. Poore had convinced himself of the rightness of our point of view in his contemplative moments, his conviction would have been shattered under the impact of the emergency. More than that, not even the prospect of being punished for it would have stopped him risking his life. Neither punishment nor reward would enter into his calculations. Indeed, in that moment his individual intellect would become an appendage of the collective social sense. In general this is a good thing, and we may all admire it. But our admiration must not blind us to the question of how far society is really served by such unselfish service. It may be urged that the value of the service is moral, in that it "sets a good example" to others. We reply with the affirmation that society in its natural condition stands in no more need of being set an example than does the person who happens to set it. No mother in this country needs to hear of another's giving her life to save her child from fire or drowning. The example does not educate motherhood in self-sacrifice: on the contrary it is a manifestation of what motherhood already is. Similarly, the act of Mr. Poore signals what society already is.

But there is this vital difference. A motherhood which applauds a mother's sacrifice knows in every fibre of its being why this heroism exists and why it ought to. It is not within human conception to imagine any rational or emotional appeal to any sense or sentiment ever disturbing such wholeness

and fixity of conviction. But a society which applauds a bank-officer's sacrifice is outside comparison. The main reason is that social sentiment is nowadays responsive to suggestion imposed on it by a small section in itself but not of itself. And this is where the cycle of the argument is closed: for the arbiters of social sentiment are the bankers. When the bankers choose to stigmatise anything as an "appalling crime," judges pronounce it such, newspapers proclaim it such, and men and women assume it such. Conversely, when the bankers approve anything, society approves it. All thinking stops in the deafening noise of the bankers' clapping or the bankers' hooting.

Then, consider society's apathy in respect of what the bankers choose to do. Nobody questions the wisdom of their arming members of their staff with revolvers—a direct incitement to thieves to go about armed. If bank officers why not the police? Nor does the recent innovation of setting boy scouts to watch bank-premises at week-ends seem to have caused the lifting of an eyebrow—not even among the pacifists who are so jealous of isolating youth from the infection of militarism. Presumably they appease their consciences by reflecting that so long as the boys don't carry arms they will die with clean souls if the thief shoots them.

"The Times" and the Liberals.

April 30. The first leading article in *The Times* of this date to-day virtually consists of an assurance to all and sundry that tariff-policy will be conducted with proper regard to the security of banks and insurance companies' investments. The statement is, of course, not so frankly put as this, but that is the meaning of the writer's appeal to disgruntled Free Trade Liberals to leave off grumbling and help in the "experimental" tariff-policy for which the nation gave the Government a mandate. He says that the Government is pledged "not to use tariffs to shelter inefficiency, to excite log-rolling or to condone profiteering." That is to say, industry's control of financial credit will be kept down to the minimum. While it is true that high profits are no guarantee of high wages, yet profit-making is a condition of wage-paying; and the limitation of profits will mean a top limit to wages. It will also mean a top limit to the number of people unemployed in any industry. The prevention of log-rolling goes without saying; for log-rolling is a term which describes the act of industrial interests in canvassing Ministers and Members of the House in order to get served out of their turn; and in making arrangements with each other for mutual support in cadging for this favour. In the United States the term also connotes the initiative of Ministers themselves in handing out protection to industrial concerns in which they, or their wives, cousins and aunts, have interests. It will be seen that the assurance: "No log-rolling" is a discreet way of hiding the fact that the monopoly of the power of rolling logs will fall into the hands of the "impartial" Tariff Commission, who can swing tariffs according to how the books of the banks and insurance companies are made up. According to political convention, there is no impropriety in this, for no member of the Commission will be personally or directly interested in the fate of any industrial enterprise. The logs roll themselves: and if they roll towards Lombard Street it is the Will of God as usual. The footling Liberals could make a fine reply along these lines to the writer of this article, who reprimands them with his tongue in his cheek, but they are either without the wit or without the pluck to make it; and he knows it.

Theatre Notes.

By John Shand.

Although the town had no curiosity to see Mr. Ernest Milton's *Othello*, let us hope it will approve his *Shylock*. His production of "The Merchant of Venice" at the St. James's Theatre was well received on the first night (Thursday); but of course the enthusiasm of a first night, while gratifying to the players, does not overmuch excite the colder temperaments in the box-office. The size and warmth of the audience on (say) next Monday night will be a more sufficient test.

Mr. Milton's *Shylock* is a very Jew, and a Jew of the ghetto and the market place, not of Mayfair and Threadneedle Street. He is a usurer in a small way who, when asked to lend three thousand ducats to Bassanio has still not got beyond the old trick of saying that of course he has not of his own all that money to lend, but he has a "friend in the City" will help him out. Or as he puts it: "I cannot instantly raise up the gross Of full three thousand ducats. What of that? Tubal, a wealthy Hebrew of my tribe, Will furnish me." He may be found sitting cross-legged outside his house taking the air whilst he sews his Jewish gaberdine, as his less picturesquely garbed but otherwise unchanged descendants may still be seen any fine summer's evening in the side streets of Whitechapel and Aldwych. He has, in the rise and fall of his voice, the Oriental music of Jewish song, and will drop into the true sing-song of the bazaar as he ponders audibly, "debating of his present store." He has, as Shakespeare clearly indicates in that wonderful scene in which *Shylock* makes his first entrance, the Oriental's slowness in making up his mind to buy or sell, a lack of haste which is to be sure the opposite of slow-wittedness, and comes of the pleasure to be got in savouring the details of a bargain. He will cringe and whine when Antonio replies to his sarcastic "Hath a dog money?" with an uncompromising "I am like to call thee so again"; and it was consistent with this conception of the part that Mr. Milton kept down the soft-pedal in that famous speech: "Signor Antonio, many a time and oft, In the Rialto you have rated me, About my moneys and my usances." We are told that in this speech, Kean was "terrific in sarcasm." Mr. Milton, so to speak, had sarcasm in one eye and desire to clinch the loan in the other; and this, I submit, is much more in keeping with his desire for revenge against Antonio, which he has already expressed in the aside: "If I can catch him once upon the hip, I will feed fat the ancient grudge I bear him."

It is the fault of this tragical-musical-comical-romantic play that except for the short scene (Act 2, Sc. 5) in which *Shylock* goes forth to feed "on the prodigal Christian" in order that the dramatist can give his daughter the opportunity to elope, we see no more of the Jew until the third act. Even this third act scene is short; but as Shakespeare evidently gave his best attention to the writing of it, it is a scene that makes you forget all about Portia and all that silly (but still good theatre) stuff about the three caskets. Here is that speech in which *Shylock* unmasks his hatred of Antonio, and is turned from one mood to another as Tubal tells him of Jessica's extravagance in Genoa and of Antonio's losses on the high seas. All these varieties of emotion, so well expressed by the poet, are well executed by the actor; and it is significant that Mr. Milton tries with only a light touch for pathos when Tubal tells him of the ring Jessica has sold for a monkey. "It was my turquoise; I had it of Leah when I was a bachelor: I would not have given it for a wilderness of monkeys." For this is a *Shylock* treated without sen-

timimentality. Perhaps because of this absence of any cheap appeal for sympathy, I felt even more than usual on the side of *Shylock* as against the hypocritical and intolerant Christians, who cry out against *Shylock* for his inhumanity although they have deliberately and of set policy treated him and all his race as outcasts of the human race. In the trial scene, I think this *Shylock* should gloat more than he does upon the victim before him, and he is perhaps more irritable than sarcastic in his quick replies to Gratiano and Bassanio. But the scene is well done, and when *Shylock* left the stage, baffled in his revenge, mocked by the foolish Gratiano, forced to give half his fortune to his runaway daughter and allowed to keep the rest only by renouncing his religion, I felt that I had witnessed a fine piece of acting. There are faults, of course. This *Shylock* tries to hold the stage too long after his final speech. Partly owing to the structure of the play, which does not concentrate enough on the only really interesting character, and more because this *Shylock* is something lacking in passion, there is not that intensity of emotion engendered to carry off successfully such a protracted exit as Mr. Milton allows himself. And although he has Irving's warrant for it, the actor has no warrant in the text for *Shylock*'s return home, in order to act in dumb-show his rage at Jessica's elopement. And cutting that out, Mr. Milton could also cut out the masquerade, which would be a distinct advantage. There are certain tricks of voice and gesture which to me do not carry the authentic stamp. But on the whole this is a *Shylock* which, if he is not "the Jew that Shakespeare drew"—and that Jew does not of course exist, for there are as many *Shylocks* as there are actors and readers—it is a Jew who takes the eye, pleases the ear, and arrests the attention. Let me add that if anyone wishes to test with what humanity Shakespeare has drawn the character of *Shylock*, let him read, as I did, side by side with "The Merchant of Venice," Marlowe's contemporary melodrama, "The Jew of Malta." It is not for nothing that the players still want to act Shakespeare, whereas, so far as the players care, the rest of the Tudor dramatists may go hang.

My opinion of Miss Mary Newcomb's Portia is, I am afraid, a low one. She lacks poetry. She lacks lightness of touch. Her humour is artificial. This Lady of Belmont takes her position as a landed proprietor with heavy hauteur. She condescends to inferiors and does not establish warmth of contact with any person on the stage. As a Doctor of Laws she was positively "cocky," and opened books of law and turned up references as if it were she who was finding a loophole in the Venetian law for Antonio; whereas, of course, Portia is only the "voice" of that learned counsel in Padua, Bellario. She spoke the "quality of mercy" speech not as a pretty piece of verse, prologue to the more serious business in hand, but as an exhortation of moral platitudes in the style of Dr. Nicholas Murray Butler, that American embroiderer of hokum, it was not Bassanio who was going to wear the breeches.

To mention Dr. Butler reminds me that our "silent" ambassadors, such as Mr. Mellon, and our "silent" financiers, such as Mr. Norman, are well described in the speech which runs:—

"There are a sort of men whose visages
Do cream and mantle like a standing pond,
And do a wilful stillness entertain
With purpose to be dressed in an opinion
Of wisdom, gravity, and profound conceit.
As who should say, 'I am Sir Oracle,
And when I ope my lips let no dog bark.'"

Some of the small parts are very ill played, and I mention, in particular, Mr. Terence O'Brien and

*This article was written before the Lords' Judgment was pronounced.

Mr. Deering Wells, because they are experienced actors and surely ought to support the piece better than they do. Miss Athene Seyler, with her delightfully humorous personality, is wasted in the part of Nerissa and seemed, by her mere presence, to be a silent criticism of Miss Newcomb's Portia. Mr. Nicholas Hannen over-acts the part of Antonio, and Mr. Denys Blakelock seems unusually subdued as Lorenzo, but makes him a pleasant figure. Miss Lydia Sherwood inclines one almost to forgive the unfilial Jessica, and Master Claude Brown sings "Tell me where is fancy bred" with a sweet voice—"a most contagious breath i' faith." This tune is by Mr. Norman O'Neill, who has written all the incidental music. It is a good tune; but whether his overture is equally good I cannot tell, for all the audience talked as if the orchestra were not playing. I am glad to record that Mr. Milton has not bothered overmuch this time about his scenery, and has at any rate got continuity of action and avoided those awful "waits" which helped to spoil his last production.

Another show I can safely recommend is the revival of Mr. Shaw's "Heartbreak House," at the Queen's Theatre. The first act of this play is one of the best Mr. Shaw has written, and he is always at his best in first acts. It is played by a good company. I mention in particular Miss Eileen Beldon's Ellie Dunn, Miss Margaret Chatwin's Mrs. Hushabye, Mr. O. B. Clarence's Mazzini Dunn, and Mr. Charles Groves's Burglar, because all or some of these actors have been either passed over or condemned by the daily papers, and, in my opinion, very unjustly, Miss Beldon's performance especially being an extremely beautiful one. This is quite her best part, and I have seen a good deal of her work. Mr. Cedric Hardwicke is, of course, very effective as Shotover; but then what a magnificent part it is! I do not mean this grudgingly, of course. Mr. Hardwicke's acting always gives me the greatest pleasure, except when he puts the "Caravan" before the horse.

The Films.

Mädchen in Uniform: Academy.

Leontine Sagan's "psychological study of adolescence" is one of the most beautiful films I have seen. Its theme, that of the adoration—almost entirely "innocent" in the conventional sense—of a school-girl for a mistress, demands subtlety, insight, delicacy, sympathetic handling, and something more than an adult's knowledge of youth; the adult must also be able to visualise her own adolescence as it was, and not as it is remembered in maturity. "Mädchen in Uniform" has all these characteristics, and also the quality of beauty.

Only a woman could have directed the picture. And only an exceptionally talented director could have achieved such a persuasive and compelling atmosphere, that the audience become participants rather than spectators. From the merely technical standpoint alone, this film is noteworthy. And if anyone should find these adolescent emotions and adorations overdrawn, he might be reminded that just as there is no exact English equivalent for the German "Schwärmerei," so there is no exact parallel between Teutonic sentiment—I had almost said sensibility—and that of the English-speaking nations.

Acting and casting are worthy of the direction. Hertha Thiele as Manuela, and Dorothea Wieck as Fraulein von Bernburg, are magnificent. Miss Thiele is said to be a completely new discovery; she has the makings of a most promising actress. Miss Wieck has already been seen in silent films; her impersonation of the beloved mistress has that genuine restraint, that constant indication of pent-up force, which one

despairs ever to see displayed by an English actress. The tyrannical headmistress and her sycophantic lieutenant—I regret that I have so far been unable to obtain a complete list of the cast—are admirable, as are also the minor players. Miss Sagan tells me that most of the schoolgirls are amateurs in the sense that they are still training for the stage or the screen; veteran professionals could not have done the job better, and in her handling of this plastic human material Miss Sagan shows some of the qualities of the great Russian directors.

The ending is a superb piece of stagecraft. Manuela, in disgrace because of the discovery of her infatuation, is only just prevented from suicide. The headmistress is summoned. She slowly descends the great staircase, on which most of the pupils have gathered, and slowly disappears down the long bare corridors, a bowed figure, a woman whose world of harsh formalism and military discipline has suddenly crumbled, who has been compelled by a force stronger than herself to realise that her methods are not infallible. But there is not a look or a word of sympathy, not even a glance, for the tortured Manuela. How many directors would have the wit to realise the magnificently dramatic quality of this final note?

Incidentally, "Mädchen in Uniform" is incomparably the best picture yet made by a woman director.

Now, Which Is it?

The latest issue to hand of the Metro-Goldwyn-Mayer Press Service informs me apropos of Greta Garbo that

"As Mata Hari, the spy, she scores the greatest triumph of her brilliant career," and also that "Greta Garbo achieves the finest performance of her career as the heroine of 'The Rise of Helga.'" As they say on the Turf, a double event.

Current Films.

In addition to "Mädchen in Uniform," the Academy is showing "Mor-Vran," made by Jean Epstein, the distinguished director of "Finis Terrae."

Readers who were unable to see "Kameradschaft" at the Academy will be interested to know that it is being given this week at the Embassy, Notting Hill Gate.

"Five Star Final," the film version of "Late Night Final," is at the Stoll until Sunday. The cast includes Edward Robinson and H. B. Warner.

Easily the best of the current general releases is "The Guardsman." This is one of the wittiest and most sophisticated films ever made, and one of the best acted; Alfred Lunt and Lynn Fontanne repeat the success they had with the stage version produced by the New York Theatre Guild in 1924.

DAVID OCKHAM.

BIRMINGHAM SOCIAL CREDIT GROUP.

The next meeting will be held at the G.W. Hotel (Room 6), Snow Hill, on Wednesday, May 11, at 6.45 p.m. Mr. E. W. Harrison will give a paper on "Rewards and Punishments." All interested are invited. Would those living in the Birmingham district who are willing to work for the Social Credit Movement please communicate with the Group Secretary, Mr. G. Kay, "Marchmont," Old Croft Lane, Castle Bromwich.

SOCIAL CREDIT DIRECTORY.

Coventry. G. Hickling (C.O., Legion of Unemployed), 54, Poole-road, Coventry.
Coventry.—Robert J. Scrutton (General Organising Secretary, Social Credit Association of Producers, Distributors, and Consumers), St. Peter's Vicarage, Coventry.
Birmingham.—Walter F. Pratt (Secretary, Social Credit Association of Producers, Distributors, and Consumers), 202, Malmesbury Road, Small Heath, Birmingham.
Glasgow.—W. J. B. Jones (Secretary, Glasgow Douglas Credit Association), 47, St. Peter's Street, Glasgow, C.4.

The Waterlow Judgment.

LORDS' REASONS.

[The following is extracted from *The Times's* report, dated April 29.]

The Lord Chancellor's View.

1. On the question what was the true measure of damages, two points were taken on behalf of Messrs. Waterlow. They contended:—

(1) The loss, if any, suffered by the bank was caused in whole or in part by the voluntary action of the bank and/or was in whole or in part a loss which could not fairly and reasonably be considered as arising naturally from Messrs. Waterlow's breach of contract, and was a loss which could not reasonably be supposed to have been in contemplation of both parties at the time of the making of the contract as the probable result of the breach.

(2) The loss suffered by the bank, if any, was merely nominal, being the present value of the liability at an undetermined and undeterminable future date, to give gold or other value for the good notes it issued in exchange for bad notes.

2. As to (1), the leading case in English law was *Hadley v. Baxendale* (1854) 9 Ex., 341, where it was laid down by Mr. Baron Alderson:—

We think the proper rule in such a case as the present is this: Where two parties have made a contract which one of them has broken the damages which the other party ought to receive in respect of such breach of contract should be such as may fairly and reasonably be considered arising naturally, i.e., according to the usual course of things, from such breach of contract itself, or such as may reasonably be supposed to have been in the contemplation of both parties at the time they made the contract, as the probable result of the breach of it.

3. The law was similarly stated by Lord Blackburn in the House of Lords in *Livingstone v. the Rawyards Coal Company* (5 App. Cas. 25, at page 39).

4. There was no doubt as to the law; the real difficulty was to apply it to the peculiar facts of this case.

5. The first question was: "Was this loss one which could reasonably be supposed to have been in contemplation by both parties at the time of the making of the contract as the probable result of the breach?" That rule had often been criticised on the ground that people when they made contracts did not contemplate their breach. However that might be, he had come to the conclusion that Lord Justice Greer was right in taking the view that it would be naturally in the usual course of things, and would be within the contemplation of the parties (1) that in circumstances like those which happened in the present case the bank would be compelled for their own protection to issue a public notice informing the holders of their notes that the only notes of which forgeries had been discovered were the Vasco da Gama issue; and (2) that they would also be compelled in the interest of their own credit and currency to act reasonably in the matter; and (3) that it would be reasonable to exchange any of those forged notes which were presented for payment for valid notes of an equal value.

6. Once it was found, as it has in his view been rightly found in this case, that the bank acted reasonably, and it was also found that Messrs. Waterlow committed a breach of contract, the resulting consequences from such reasonable action must be damages which the bank were entitled to receive in respect of breach of contract, because they were damages fairly and reasonably to be considered as arising naturally, that was, occurring in the usual course of things from such breach of contract, as the probable result of the breach.

7. As to (2), he now turned to the last and, in his opinion, most difficult part of the case. Was the loss suffered by the bank merely nominal, and was the only sum recoverable by them the cost of printing and paper in regard to the new issue?

8. The bank, by reason of Messrs. Waterlow's breach of contract, had to increase their note issue by 104,859,000 escudos, and received in exchange for each bank note no value at all, but only worthless bits of paper. On each of the good notes so exchanged the assets of the shareholders were diminished to the extent of the liability which the bank assumed for the good note which they had given in exchange for the worthless note.

9. Some confusion appeared to him to have arisen by dwelling too much on the fact that the notes were not convertible into gold. In his opinion that fact had nothing to do with the case. In a country where there was a managed

currency a note when issued by a Central Bank became part of the currency of the country and obtained a certain value which might for the moment be called its market value. The fact that it was not convertible into gold was reflected in the price the note fetched in the terms of any foreign exchange. They were not here considering the case of an unlimited right to issue notes. The essence of the right conferred on the bank of issue in this case was the ability, within limits allowed by law, to print and issue its notes as currency and for value. The notes were the currency of the country, and had the value of that currency when issued. Whatever might be the conditions imposed as to reserves and whether the currency was convertible or inconvertible, a bank of issue received value for every note which it issued.

10. That consideration had to be kept in view during the whole of the present case. It must never be forgotten that the bank were a bank of issue. The notes might be advanced as loans to the Government or private persons; they might be used to buy gold or securities, to discount bills or to pay the bank's debts, and the notes might also be received from a customer of the bank to reduce an overdraft at the bank. In every instance the bank obtained the currency value of the notes, or might receive it, in discharge of a liability due to the bank.

11. Analogies might be misleading, if not dangerous, in these peculiar and unusual circumstances. The simplest way of posing the problem was to imagine two persons coming into the bank at the same time, each of them wanting a good 500 escudos note. The first was an Englishman who wanted to get some Portuguese money. He handed over to the bank five English pounds, and got in return a 500 escudos note. The other person handed over a forged note, and also got a 500 escudos note. What was the position of the bank? In the first case they had obtained in exchange for the 500 escudos note five pounds in English money; in the second case they had got in exchange for the 500 escudos note a worthless forged note. It was not possible to say that in the second case the bank had suffered no damage because they could print and issue a third 500 escudos note should they so desire to do. For that note they could also have obtained value. In truth they had lost the face value of the second note by reason of the fact that they had only got a worthless note in exchange.

12. He was, however, unable to accept in its entirety the argument put forward by the bank in their Reasons, where it was stated that the bank's notes, being the currency of the country, had the same value in their hands as in those of third parties. What exactly was meant by the words "in their hands" it was difficult to appreciate. A bank note was, after all, merely a promise to pay in some form or other.

13. Supposing the bank had had in their cellars, say, for example, 1,000 of those notes, and owing to the negligence of some contractor who happened to be engaged in repairing the premises a fire had broken out and all the new unissued notes in the bank's cellars had been burnt, it would not be possible to contend that the contractor whose negligence had caused the loss of the notes would be liable for their face value. He might in such an instance be liable for the cost of paper and printing of each note, but it was a completely different position when the notes, instead of remaining in the cellar, were rightly, as was found in this case in the circumstances, put into circulation by the bank. Then their value was entirely changed.

14. Again, it was possible to conceive of cases where a person who had been deprived of a chattel by the negligence of another was entitled to recover from such other the replacement value of such chattel, but the present case was not an example of that character. Here the issue of the note and putting it into the currency of the country, which the bank were entitled to do, made all the difference.

15. For those reasons he was of opinion that the appeal of the bank succeeded, and that judgment should be entered for the bank for £610,392. The appeal of Messrs. Waterlow should be dismissed.

16. Lord Atkin and Lord Macmillan gave judgment to the same effect.

Lord Warrington's View.

17. Lord Warrington of Clyffe said that it was, in his opinion, impossible to say that, having regard to the position at the time, and the possible consequences both to Portugal and to the bank itself of the circulation of the spurious notes, the action taken by the bank in exchanging all the notes of the type in question whether genuine or spurious for other genuine currency was not a reasonable step to take, and one which might be expected to be taken as a consequence of such a breach of contract as that in the present case.

18. The damages were damages for breach of contract, and in such cases it had to be remembered that they were

exclusively measured by a loss actually incurred by the bank and capable of being quantified in terms of money.

19. In reaching a conclusion it was essential to bear in mind that the sole measure of damages on which the bank insisted at the trial and still insisted was the face value, translated into sterling at the rate of £5 for every sum of 500 escudos issued by them in exchange for a spurious note. They had maintained throughout that in issuing genuine currency in exchange for spurious notes they must be treated as having expended so much cash without receiving any consideration in return, and therefore to be the poorer by the amount so expended. They made no attempt to prove that (except the expense of obtaining the paper and printing of the notes) they incurred any other loss or damage, directly or indirectly, as, for example, by the increase in the currency and the consequent depreciation of its purchasing power, or by injury to their credit or interference in their relations with the Government or otherwise. All those considerations might be set aside, and accordingly in explaining the views he entertained by "damages" he meant only such damages as were claimed by the bank. There might be loss or damage of another kind, but that was not in question.

20. The whole question, in his opinion, turned on the nature of the obligation incurred by the issuing bank under the notes it issued. They were in effect promissory notes payable to bearer on demand. So long as they remained in the possession of the bank they were merely pieces of paper, and if, for example, they were lost or destroyed while in their possession they could be replaced by printing other notes at the cost of the paper and the printing.

21. As soon as a note was issued it imposed an obligation on the bank to pay to the bearer on demand 500 escudos. That last was the only material obligation in the present case.

22. It was proved by the evidence of witnesses called on behalf of the bank that the only material obligation was satisfied by exchanging the note in question for another note of like denomination. If a judgment were recovered against the bank it would be satisfied by delivery of currency for the amount.

23. Where, therefore, the bank elected, as they had done in the present case, to treat the spurious notes as on the same footing as genuine notes, all they did was to accept an obligation to pay the holders in currency, that was to say, in notes. To do so all they had to do was to take so many pieces of printed paper from their existing stock or to have further notes created should the existing stock be insufficient. In either case the loss to the bank was, in his opinion, confined to the expense of procuring the necessary paper and of printing the necessary number of notes.

24. Lord Russell of Killowen also differed as to the measure of damage, and agreed that the loss to the bank was confined to the expense of procuring the necessary paper and of printing the necessary number of notes.

LETTERS TO THE EDITOR.

MAJOR DOUGLAS'S SCHEME FOR SCOTLAND.

Sir,—In reply to your correspondent, D. E., firstly, let us fix two points:—

1. Nationalism is a politico-cultural sentiment.
2. Social Credit is an economic technique.
When D. E. writes of "the unconscious impertinence of Englishmen," he is expressing a politico-cultural sentiment thing especially Scottish, but of the main economic conflict of this civilisation as it impinges upon Scotland. This National feeling has nothing to do with the intellectual consideration of an economic technique.

The whole question for Scotsmen (as for Englishmen, Irishmen, and all other men) is: Does Social Credit give us an economic technique that will allow of the free and full development of our own particular form of Nationalism, the first requisite for such freedom and scope, whether in Scotland or elsewhere, is the economic security of the individuals living within the National boundaries. In other words, economic power precedes political power.

D. E. asks, "Is it not obvious that Scotsmen are doing their utmost to get rid of one lot of English controllers . . . ?" It is, indeed, only too obvious. The futility of it is that the English "controllers" are not in control.

That being so, it can hardly be impertinent for one "lot" of economic serfs in England to "Halloa!" across the Border to another "lot" in Scotland, in the hope that they may hear and help.

I am afraid we cannot even be accused of "unconscious impertinence." Our appeal to the Scottish National Party (without *sic*, for so it is called by Scotsmen in Scotland, including the Editor of *The Modern Scot*, Mr. J. H. Whyte,

Mr. C. M. Grieve, Mr. Compton Mackenzie, and many others) is pertinent—i.e., to the point, and fully conscious.

We are not offering "advice"—we are appealing, calling, for quite definite action against a common enemy.

Whether that call is likely to be welcome or unwelcome to Scotsmen in Scotland because it happens to come out of England from Englishmen, is something that must be settled by Scottish National sentiment, if it cannot be settled by Scottish common sense. The only logical attitude is that which asks whether what we are calling for is, in itself, workable, and in its foreseeable results, desirable.

No doubt, as D. E. informs us, "certain Scotsmen are . . . thinking over this whole question very carefully." It may be as well to remind ourselves, however, that we have all—Scotsmen and Englishmen, and everyone else—had more than ten years in which to ponder Social Credit and arrive at some conclusion. No one can complain of not having had time to think it out. The resolution standing on our agenda would seem to suggest that, after a decade of thoughtful consideration, it may be time to say "Yes" or "No."

If that is "cool impudence," a little more of it, and a little less heated racial emotion, might do a power of good.

IAN ALISTAIR ROSS,
General Secretary, Kibbo Kift.

SOCIAL CREDIT AND SCOTLAND.

Sir,—In answer to A. H. M. We are glad to note that the organisers of Major Douglas's meeting, ". . . a few individuals who are not connected with any organised group or association," are not forming a Consumers' Party. As we heard at a Douglas meeting that the only propagandist of the Major's visit was the possible formation of the C.P., we still feel we were correct when we mentioned "talk of" such a project.

We are also glad to note from Mr. Finlay that the G.D.C.A. (no connection with A. H. M.'s committee) has not the slightest intention of forming a C.P. With the death of the C.P. (without capital or credit) it only remains for Mr. Finlay to get A. H. M. and his committee into an organised group or association. A. H. M. will doubtless be found in some adjacent hostelry—within permitted hours.

Mr. Ian Ross is thanked for his information, although we doubt the efficacy of the Kibbo Kift resolution. The National Party of Scotland is pledged to fight on the single issue of self-government. Officially they say: "Control is the first step towards mending our State." But there are hundreds of Nationalists who think otherwise—and don't necessarily belong to the N.P. While admitting the propaganda value of elections, they believe that the time is ripe for advances towards control of Scots affairs without reference to Parliament. That is why we mentioned Kibbo Kift methods adapted for Scottish needs. A body with nationalist outlook and Social Credit as the basis of its economic policy is an urgent necessity in Scotland. Is the Glasgow Douglas Credit Association starting such a movement? We would not have wasted valuable space here if we had thought so.

ANTHONY G. HEPBURN,
HUGO REY.

PROPAGANDA DANGERS?

Sir,—J. C. N.'s letter, reprinted by you from the Scottish "Free Man," deserves careful attention. This critic begins by describing Lord Tavistock's Glasgow address on Social Credit as "exceedingly clear." Why could he not have let it go at that, especially in view of the fact that there are very few technically-sound speakers on Social Credit?

The many-sided nature of the subject, and the impossibility of satisfying everyone's doubts and queries, at any public meeting, puts the little incident of the Glasgow lady's question into its proper place as merely one among many thousands of similar incidents. It did not reveal a "danger."

Different types of propaganda tend to attract different types of person. But actual experience has proved that very real danger and hindrance to Social Credit progress lies in decrying any one type of activity as compared with another. To use an expression sometimes employed by Major Douglas, we should carefully avoid "cramping the style" of another worker in the cause.

ERNEST A. DOWSON.

"BRAIN AND MIND."

Sir,—Mr. J. C. Bayley would seem to be as good as Mr. Lynch at banging the drum and blowing the trumpet. What a pity that neither of them will condescend to tell us what it is all "in aid of"!

With regard to dear old Broca, it would be obvious to any intelligent child that Mr. Lynch was being ironical at his expense—a point of no importance. What is important is that Mr. Lynch, in saying that Broca's view is "a sacred doctrine in nearly all the medical schools and universities where such matters are taught," is making a statement which is simply untrue, as I know from personal experience

of the teaching given in two British Universities. In both of these (and, I have no doubt, in many others) the conflicting nature of the evidence concerning the localisation of the speech centre is stressed.

I have not read the "Histoire de le (sic) Philosophie Moderne," but unless its authors are maligned either by Mr. Bayley or the printer, it is to be hoped, for Mr. Lynch's sake, that their knowledge of philosophy is greater than their acquaintance with their native tongue would appear to be.

N. M.

MR. NORMAN AND THE MACMILLAN COMMITTEE.

Sir,—As Major Douglas has frequently pointed out, one of the greatest obstacles to economic sanity is the moral type of mind which reasons deductively from theory to facts, and in consequence ignores those facts which do not fit the theory.

Anyone interested in the psychological make-up of Mr. Montagu Norman, Governor of the Bank of England, will be assisted in selecting his mental category by the following extract from the Minutes of Evidence of the Macmillan Committee (Volume II., page 296, question 9,175):—

"Chairman: In coming to a decision upon any large question of policy one wants to be well instructed. One wants to know whether you have at your disposal the sources of information on the point which you have to consider in coming to a decision. What I want to know is this—whether you feel in the organisation of the Bank of England you are able to lay under contribution sources of information which you require and ought to possess in coming to these important decisions?"

"Mr. Norman: Yes, I do. There is much information, however, which in my view is more valuable for the purpose of testing conclusions arrived at independently than for providing the foundation on which to base conclusions."

C. E. M.

LAND UTILISATION SURVEY.

Sir,—I find that the Land Utilisation Survey which was discussed in your correspondence recently is financed by the Rockefeller Foundation as to the expenses of the London School of Economics, and Treasury grants to Local Education Authorities.

A. W.

KREUGER AND THE FINANCIAL SYSTEM.

Sir,—It will be a long time before the last word can be said on the Kreuger case; in the meantime, you have furnished the aptest moral to date by emphasising that one of the most powerful indictments of the contemporary financial system is that Ivar Kreuger "found it necessary to resort to these deceptions." One of the extraordinary aspects of an extraordinary affair is that the industrial enterprises in the Kreuger Group, as distinguished from the holding concerns and finance houses, are not only genuine business undertakings of a productive character, but represent public utilities, such as the manufacture and distribution of matches and the provision of telephone services. The same applies to the undertakings of the late Mr. Lowenstein. And Clarence Hatry saved ratepayers throughout the country hundreds of thousands by floating Corporation loans on lower terms than those demanded by the few finance houses that had previously enjoyed a virtual monopoly of the business. You have already pointed the moral, but the tale may be adorned by the reflection that our "City Editors" are either unable to understand or dare not tell the truth about the real significance of these "amazing financial scandals."

VERNON SOMMERFIELD.

GIBSON JARVIE ON DEPOSITS AND LOANS.

Sir,—I think it should be recorded that Mr. Gibson Jarvie, speaking at the Royal Society of Arts on April 20, stated explicitly that the banks could not advance credits to consumers because they could only lend what had been deposited with them. Nobody present was apparently able to contest the point, and it passed without comment.

Mr. Jarvie is President of the Dominions Trust, which finances instalment-buying.

M. A. PHILLIPS.

ANSWERS TO CORRESPONDENTS.

SOCIAL CREDIT AND THE SINGLE TAX.

J. M.—The only extended argument on this subject that we recall appeared in *THE NEW AGE*, vol 38, pp. 96 and 106 (December, 1925) as an article by the editor entitled "Social Credit and the Landlord." It was designed to show that under Social Credit rent-exactions even of astronomical dimensions would be rendered innocuous to the community by the operation of the price-regulation factor. The money collected by landlords as rent would only affect the interests of the general body of consumers to the extent to which these landlords spent their rents in the consumption markets.

In the article in question it was assumed for the sake of argument that the landlords were to charge industry a price for some land equal to the total value of the whole output of industry during a given period. In theory, therefore, the community ought to starve to death under the landlords' dinner-table. That is because at present the financial system so works that nobody is allowed to consume a larger share of total production than is represented by his *share of total income*. Social Credit would do away with all that nonsense, and would enable everybody to consume that share of total production which was represented by the ratio between his *expenditure in the consumption market* and the *total expenditure of the community in that market*. Briefly, the landlord could not stop your dinner without eating it himself. Under Social Credit the fellow would bust himself long before anybody missed even a scrap of mustard off his plate. The process by which this would result was worked out in figures in the article referred to; and anybody tolerably familiar with the Social Credit analysis can do the same sum with any figures he likes without reference to the article. The whole point of the argument is that it is *not technically necessary* to rack-tax the rack-rentlords. If for political reasons it is thought advisable to tax them, we should not object to the levy if applied as *part of a Social Credit scheme*. But any such levy *instead of the Social Credit scheme*—then we sharpen our teeth.

THE BOYCOTT OF SOCIAL CREDIT.

A. E. N.—The particulars we gave were in footnotes to letters from correspondents, and appeared in *THE NEW AGE*, vol. 50, pp. 34 and 46 (November, 1931).

THE STERLING-PROTECTION FUND.

S. Z.—Thanks for your letter, but our hypothetical cross-examination, in last week's "Notes" was not based on any assumption of our own; it was an attempt to examine the ostensible official reasons given for seeking powers to accumulate the fund. You say that you believe the real intention behind the scenes to be that of "preventing the pound from rising." But we were not dealing with real intentions but with declared intentions. The fact that our method was cross-examination should have made this clear; for witnesses can only be cross-examined on their own statements. We are unaware of any point in the sequence of question and answer which is not compatible with our holding the same personal view as yourself; and if you will quote any example to the contrary (just mention the number or numbers) we shall be obliged to you. For the rest, we suppose you agree that the public were led to believe that the fund was to be employed to prevent the pound from falling; and if so, that is the common background against which the cross-examination should be viewed. We would publish your letter but as the last paragraph is obviously not intended for publication we are uncertain about the rest.

THE B.B.C. AND SOCIAL CREDIT.

H. C. M.—The B.B.C. turns down so many would-be broadcasters, e.g., the Co-operative Movement, that we could not usefully exploit their refusal to let a "Douglas" man have a go.

POINTS FROM CORRESPONDENCE.

PUSHING ON.

Having gone deeply into the Douglas Proposals I can only marvel that they are not adopted. A remedy at hand, and it is allowed to lay on the table, unused. From your journal a little headway seems to be constantly made, but you must feel discouraged at its slowness. Another point that makes one think furiously is that no one stands up in public to disprove Douglas. On that ground alone there *must* be something very good in the proposals. One banker-economist told me that he was most surprised that I published my little paragraph about the scheme. According to him the scheme was "thinly-disguised inflation, and full of fallacies"!—An Overseas Editor.

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

"DESERVES CONSIDERATION"

says the "New Statesman" of

THE MONOPOLY OF CREDIT

By Major C. H. DOUGLAS

"Major Douglas needs no introduction to our readers."—*Financial News*.

"It is worth while to try to understand his ideas about the real foundations and uses of credit."—*Evening Standard*.

"What Mr. Douglas has to say is well worth reading."—*Sheffield Telegraph*.

"Major Douglas must be reckoned with."—*Church Times*.

"Worth reading for its shrewd analysis even if you may not agree with its thesis."—*John o' London's Weekly*.

"A clear challenge to every member of the public who takes a thoughtful interest in the precarious future of England and of our modern civilisation."—*Inquirer*.

At all Bookshops 3/6 net, or direct from the Publishers 3/10 post paid.

CHAPMAN & HALL, Ltd., 11 HENRIETTA ST., W.C.2

ACADEMY CINEMA, OXFORD STREET

(Opposite Warrings). Phone: Gerrard 2981.

EXCLUSIVE RUN. LEONTINE SAGAN'S**"MADCHEN IN UNIFORM"**

A Psychological Study of Adolescence.

and Epstein's "MOR-VRAN."

T.B.—A FREE BOOK.

5,000 TO BE GIVEN AWAY.

Any sufferer from this disease who has not yet read the book recently published at 3/6, by an English physician on the treatment and cure of Tuberculosis, may have a copy, whilst the supply lasts, sent free of charge to any address. Applications to

CHAS. H. STEVENS, 204, Worple Road, Wimbledon, S.W.20.

THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for Export ex English duty quoted on minimum quantity of 1,000.

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2
(Almost on the corner of Holborn and Chancery Lane).

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY.**Books and Pamphlets on Social Credit**

- BRENTON, ARTHUR.
Social Credit in Summary. 1d.
The Key to World Politics. 1d.
Through Consumption to Prosperity. 2d.
... of Finance. 6d.
- C. M.
The Nation's Credit. 4d.
- COLBOURNE, M.
Unemployment or War. 12s. 6d. (Procured from New York to order.)
- DOUGLAS, C. H.
Economic Democracy. 6s.
Credit Power and Democracy. 7s. 6d.
The Breakdown of the Employment System. 1d.
The Control and Distribution of Production. 7s. 6d.
Social Credit. 7s. 6d.
The Monopoly of Credit. 3s. 6d.
These Present Discontents: The Labour Party and Social Credit. 1s.
The World After Washington. 6d.
Social Credit Principles. 1d.
Warning Democracy. 7s. 6d.
- DUNN, E. M.
The New Economics. 4d.
Social Credit Chart. 1d.
- H. M. M.
An Outline of Social Credit. 6d.
- HATTERSLEY, C. MARSHALL.
This Age of Plenty. 3s. 6d. and 6s.
Men, Machines and Money. 4d.
- HICKLING, GEORGE. (Legion of Unemployed.)
The Coming Crisis. 2d.
- POWELL, A. E.
The Deadlock in Finance. 3s. 6d.
The Flow Theory of Economics. 5s.
- TUKE, J. E.
Outside Eldorado. 3d.
- YOUNG, W. ALLEN.
Ordeal By Banking. 2s.
- W. W.
More Purchasing Power. 25 for 6d.

Critical and Constructive Works on Finance, Economics, and Politics.

- BANKS, PAUL.
People Versus Bankers. 6d.
- DARLING, J. F.
Economic Unity of the Empire: Gold and Credit. 1s.
The "Rex"—A New Money to Unify the Empire. 2s.
- HARGRAVE, JOHN.
The Great Pyramid—An Analysis of the Politico-Economic Structure of Society. (With diagram.) 1d.
- HORRABIN, J. F.
The Plebs Atlas. 1s.
An Outline of Economic Geography. 2s. 6d.
- MARTIN, P. W.
The Flaw in the Price System. 4s. 6d.
The Limited Market. 4s. 6d.
- SYMONS, W. T., and TAIT, F.
The Just Price. 2d.

Instructional Works on Finance and Economics.

- BARKER, D. A.
Cash and Credit. 3s.
- CLARKE, J. J.
Outline of Central Government. 5s.

Address: 70, High Holborn, London, W.C.1

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