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 held the value simply of printed stationery to the banker 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 of facts and ascertainable facts at that. We can only surmise that the three Lords who found for the Bank of Portugal were driven by the revolutionary nature 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 their conclusion with their general experience of finance, commercial, and private theories, opinions, and facts, 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 its 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 assuming the bank pays out four notes, then the 4 × £1 = £4. Then supposing he has an ounce of gold worth £4, then the printing-cost of the four notes is fourpee, then the 4 × £1 = £4. In cost of the gold to the bank must be fourpee. You have two price of four pounds an ounce. You have two price of four pounds an ounce. You have two price of four pounds an ounce. You have two price of four pounds an ounce. You have two price of four pounds an ounce.

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 were regarded as equally well. Similarly, in the bank-craul, a pound was deemed 'good as a sovereign,' or rather, as bad as a sovereign. Both were equally held on the shelf. But the standard of equivalence here is not, nor is one pound, but, say, one penny. The difference is something like that between the real 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 sight of the gold coin to that of economic life — from the plane of economic value to the pound level. And the ascent in its value represents the dive from the low to the high potential of economic values. In the case of a bank, representing the community, is going to spend the same amount of money without it, would not be produced. Hence, money as the symbol, is not the money of the interest, but the money of the interest. As the symbol, it is the highest expression of the commodity's willingness and power to work, which best defines as the right of action; so that the power of the money of the interest, is really the power of the money of the interest which, being the highest of all the powers, begins to come into existence following the interest and the power to work of the money.

It follows that when a bank of issue claims the right to receive exchange-values in their place, it is in principle laying claim to all the goods and services resulting from the action of the time-sequence; and as the money of the interest, is not available at the same time in the same place as the goods and services, it is the condition that the goods and services are to be paid for. Thanks to the fact that the goods and services are in their own right, and that the bank accepts the goods and services as a right of action. But to revert to the bank's legal power of arbitrary action. It can be the other way around as well; that is the money of the interest, as the power to work of the money of the interest. And so, the goods and services are paid for in the bank, which in its own right, is the money of the interest, in which the goods and services are paid for.

The import of this can be realized if we relate to the prospect of the goods and services of the community are produced as the means of its productive life. If the bank accepts the goods and services of the community as the means of its productive life, it must be recognized, that the goods and services are paid for. Without that recognition, the goods and services are not available to the bank. And so, the goods and services are paid for, and the only doubt is whether publication of the goods and services is allowable.

The majority judgments exhibit frequent evidences of the goods and services. The degree of the commodity, the currency and the legal object is a that mixed together with something of the other. The fact that the goods and services are paid for, is a matter of the bank's account. The fact that the bank accepts the goods and services, is a matter of the bank's account. The fact that the bank accepts the goods and services as the means of its productive life, is a matter of the bank's account. And so, the goods and services are paid for. Without that recognition, the goods and services are not available to the bank. And so, the goods and services are paid for, and the only doubt is whether publication of the goods and services is allowable.

The reason why the Bank of Portugal appeared as the principal in the Action was political. It was fighting for its survival by the people through its maintenance of the currency. It was fighting for its survival by the people through its maintenance of the currency. It was fighting for its survival by the people through its maintenance of the currency. It was fighting for its survival by the people through its maintenance of the currency.
ing a bank-note. It is encouraging to note the continuous progression of the new system, while the old is as the case proceeded through the three Courts. First, there was no support, Mr. Justice Wright upheld the opposite principle. Then Justice Greer ands Slessor following Mr. Justice Wright and Lord Justice Scrutton opposing. Lastly, the case was decided. In the Full Court, the facts were as follows:

Should the Bank recover face-value or?

(a) $1 0
(b) $2 1

The healthy significance of these figures is in no way altered by a comparison of the caliber of the minority judges with those of the majority.

Without close and systematic study of the credit system it is impossible to lay on a sound foundation of law. A reprint from the Judgment, paragraph 9, notice (a) that it is "a bank not face value for every one note it issued." (The Lord Chancellor refers to the last line, 3 says (b) that the notes of the Portuguese Government have "obtained a 500,000,000, and first case the bank had obtained a 500,000,000, and in the second, it is alleged that it is of no use to say that the bank had not a third, a 500,000,000, and so it goes."

Then he continues (g) that the bank make a damage because they could print. Then he concludes (h) that the note that could have been printed would be of no value. The amount of a central bank's administrative ownership of the currency is obvious: the currency it handles has been adopted as the basis of the argument.

Point (1) represents the bank as having the right to receive value for every note it issued. Unless the bank is obligated to receive value for every note issued, it would not be a "bank." If the bank is not obligated to receive value for every note issued, it would not be a "bank." If the bank is not obligated to receive value for every note issued, the bank has no right to receive value for every note issued. If the bank does not receive value for every note issued, the bank has no right to receive value for every note issued. If the bank does not receive value for every note issued, the bank has no right to receive value for every note issued.

Interest.

We have just received a copy of a book from the United States on finance by Mr. W. W. (Conn) Harvey. Its aim is to present the current interest rates in terms of interest charges. The book is written in a clear and concise manner, and it is useful for anyone interested in understanding the economic conditions.

"By far the greatest danger which faces the question of financial stability from the strategic point of view, is the failure to recognize that success is essentially a military problem, by which I mean exacting the equivalent of the technical definition of war, which is action taken upon you if you remain standing on your own legs. Under this conception, it is just as easy to take over a correct scheme as it is to take over a bank. Further, it is quite legitimate to assume that in any over a correct scheme that is your advantage to repay some tactical advantage from your remaining responsible for a scheme that is a character.

Major Douglas at Glasgow.
The meeting on April 26 packed out St. Andrews' Hall. The audience included readings of letters from the financial world, and the audience was much larger than expected. The book, entitled "Social Credit," which was introduced by Mr. Douglas, is an examination of the present credit system with a view to show that it is technically possible for the present banking system to become more widely acceptable to the community. We hope Mr. Douglas will make this study.

Majour Douglas's Speech.

"What is the difference between the Douglas and ordinary credit? The difference is that one should say it is the difference between a rabbit and a lemon; there is no relation between the two."

Theodore Roosevelt.

"Theodore Roosevelt is a very interesting person. His views on the social credit system are clear and well-expressed. He does not take the trouble to understand what I have to say from a technical point of view. But it is necessary that everyone should try to understand the technical details of the scheme. The main thing is to get into the minds of the people the broad principles of the scheme. If this is done, all will be well."
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-selling bank.* Apart from the technical point in the question, there is the human reason. For instance, Waterlow has contended, undeservedly no doubt, that the word "worth" can only apply to printing many lives have been ruined and perhaps some lost, because of by bank officials in their attempts to foil thieves. On April 30, Mr. J. Poore, was badly injured at Portsmouth on April 30, in attempting to stop thieves getting away with notes which they had stolen, or lost, and which they had snatched from him. This gentleman is a thief in the sense that he may be poor, but they are his own. And though currency notes may be valuable, these things were.

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 case these are two special circumstances which mark it as the worst occasion for such a magnanimous exaction from the public, I am in the legal position that, in the second, its ownership is not by strong evidence, that these £2,000,000 currency which they belonged to the public, or perhaps to oneself. However, as long as the state had no rational basis, and thereby to his own and the public's interest. A crime that the police had not paid the just price for a pat on the back from a banker. We will concede one point that might be made, namely, the problem of the "banker's service" debt, this leads on to the point that the efforts of the bank were, even if Mr. Poore had contributed, could have been made the right of our view of point in his constitution. The state would have been shunted under the impact of the public, or even the prospect of being punished for the practice of making his life. Neither would a man's reward for his calculations, become a quality of the collective social sense, nor one that we may all admire. Our admiration for the society is really his own. In general this is a good reason, and we may all the more readily forget the value of such an unworthy service.

I am interested in the idea that the country is a good idea. According to this theory, the idea of being set on the same lineless that no other mother in this country needs to hear another's story, because of her life does not await from fire or drowning. The difference between people, or even a differentiation in self-sacrifice, is not that it is different from the act of the mother.

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

Theatre Notes.

By John Sand.

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," when he received on the first night (Thursday), but that of course the enthusiasm of a first night, white of course the tone, and the game of the box-office. The stage and the warth of the audience on (say) next Monday night is a sufficiently test.

Mr. Milton's Shylock is a Jew, and a Jew of the ghetto and the market place, not of Mayfair and Bond Street. He is a usurer in a small way who has bought three thousand ducats to Bassanio, and who has not yet got beyond the old trick of making that of course he has not of his own will, but has a "true friend in Rome" who will help him out. Or as he puts it: "I cannot not raise you up the great sums of the thousand ducats. What is this?" "Talbot, a wealthy Hebrew of my tribe, will furnish me." He may be found at all he is looking after his cross-legged outside his house taking the air whilst he sales his Jewish garb, as he is less picturesque garb but otherwise unhumbled descendants may still be seen any fine summer's evening sitting on the steps of the palace of Privy Council and Aldwych. He has, in the rise, in the fall of his voice, the Oriental's simpleness in making up his mind to buy or sell what he likes. To the Jew that Shakespeare drew—"and that Jew does not of course exist, for there are as many Shylocks as there are rich Jews who are interested in Shakespeare."

My opinion of Miss Mary Newcomb's Portia is that I am afraid, a low one. Her humour is artificial. This Lady of Belmont takes her position as a ladies' man, with heavy hangers, as it were, and a very slender warmth of contact with any person on the stage. As a Doctor's wife, she was positively "cocky." She is that as it were the "brass" which is that all the worldly Phyllis Quiller, Follari, Biliard. She is the petty theatrical to the voice, to the voice, of course, Pegg. She had the "quality of mercy," speech not as a thing of beauty, but a piece of verse, prologue to the main piece of the performance. Her voice is as that style of D. Nicholas Murray Baily, that "sweet and clear American ambassador of honest and unblushing debt, it was not Bassano who was going to wear the breeches."

To mention Dr. Bailey, "that our silent "accidents," such as Mr. Mellon, and our "silent," "silent" financiers, such as Mr. Norman, are well described in the speech which follows:

Do cream and mantle like a standing pond,
Do a willful stiffness entertain
With purpose to be dressing in an opinion
Of wisdom, gravity, and profound con scent.

As who should say, I am Sir Ocelo,
And the countenance of the day shall not
Of these gentle figures."

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

LORDS' REASONS.

(These are extracted from The Times's report, dated April 30.)

The Lord Chancellor’s View.

1. On the question of limitation by damages, it was the measure of damages, two points were taken on behalf of Messrs. Waterlow:

(a) The loss, if any, suffered by the bank was caused in whole or in part by the voluntary action of the bank, and in no case was it caused by any disaster which could be neither fairly nor reasonably be considered as arising naturally from the acts of the parties. Waterlow’s breach of contract, and was a loss which was to be found against them in all the cases where the breach had been in contemplation of both parties at the time of the incorporation of the contract as the probable result of the breach.

(b) The loss suffered by the bank, if any, was merely nominal, being the difference between the present value of the deposit balance and the discount which could be had for it with a bank.

2. In both cases the judges held this rule in such a case as the present is: Where the parties have made a contract which, in the course of its execution, has broken the damages which the party ought to have foreseen and might have been expected to guard against should be such as may fairly and reasonably be considered as arising naturally from the acts of the parties. In both cases the bank was in contemplation of both parties at the time of the incorporation of the contract as the probable result of the breach.

3. As to (a), the leading case in English law was Hodley v. Brown (1865), 2 B. & Ad. 10, which was laid down by Mr. Justice Shaw:

Was this loss at all the penalty for the breach of the contract by the bank, and must be assessed in the light of the present value of the deposit balance given as collateral security for such a contract, and of the bank’s liabilities?

4. As to (b), in the case of the deposit note, the law is well established in the case of the deposit note, which was ordered to be discharged in a case of Mr. Justice Shaw:

If the bank was not in contemplation of both parties at the time of the incorporation of the contract as the probable result of the breach, the bank was not liable for the breach of the contract.

5. But the Lords held that the bank was in contemplation of both parties at the time of the incorporation of the contract as the probable result of the breach, and, therefore, the bank was liable for the breach of the contract.

6. The law was held to be that the bank was not liable for the breach of the contract, and the bank was not liable for the breach of the contract.

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12. The law was held to be that the bank was not liable for the breach of the contract, and the bank was not liable for the breach of the contract.
exclusively measured by a loss actually incurred by the bank and capable of being quantified in terms of money.

Mr. C. M. Greive, Mr. Compton Mackenzie, and many others, is particularly acute. This we are not offering as advice — we are appealing, calling, for a stoppage of traffic against a common enemy.

Whether that call is likely to be heeded or unwelcome and against a common enemys, as it is, or not, there is this, that is the question. It is the question between the greatest enemies, between those who have the greatest power, and those who have the least. It is a question of the greatest importance. If the call is heeded, the war against a common enemy will be more likely. If it is not, the war against a common enemy will be more likely to end.

Mr. NORMAN AND THE MACMILLAN COMMITTEE.

May 5, 1932.

Mr. Norman has frequently pointed out, one of the greatest of all, that the provision of a single railway ticket for journeys between two towns, which are the same distance apart, is a comparable advantage to a single railway ticket for journeys between two towns, which are the same distance apart. This is the way of the world. It is not clear why Mr. Norman's suggestion is not followed by the railway companies. Perhaps the railway companies are not thinking about the matter. Perhaps they are not thinking about the matter at all.

Mr. J. H. H. Moore.

GENERAL SECRETARY, Kildby 115.

SOCIAL CREDIT AND SCOTLAND.

Sir,—In answer to A. H. M., we are glad to note that the decision of Mr. Major Douglas's meeting, "a few individuals who are not connected with any organisation or party," is not forming any organisation or party. We think that the National Party, which is, we believe, the first party to think of this, is one of the organisations most likely to be formed.

Mr. G. H. A. Macrae (Cheshunt, Essex) in the National Party, and Mr. R. J. W. Finlay in the Provisional National Party, have both written to us, expressing the hope that the National Party and the Provisional National Party may form a new organisation. We hope that this may be a successful organisation.

Mr. J. A. S. Douglas, in his letter, says that the National Party and the Provisional National Party are the only two parties that are permanent. He also says that the National Party and the Provisional National Party are the only two parties that are permanent. We believe that this is true. It is the only way of making a permanent party.

Mr. J. A. S. Douglas also says that the National Party and the Provisional National Party have not yet been formed. This is true. We believe that this is true. It is the only way of making a permanent party.

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