NOTES OF THE WEEK.

Readers of The New Age who had read the Notes on the morning of Wednesday, June 10, were probably struck, a few hours later in the day, by the way in which the speech of the Attorney-General in the House underlined and elaborated our analysis of the legal situation created by the proceedings of the Budget Leakage Tribunal. In fact one or two passages in our comments might have been transferred bodily into his argument why the Crown should not institute prosecutions against the persons condemned by the Tribunal. When he pointed out that some of the evidence on which these persons were condemned was such as would have been inadmissible in a court of law, he was almost literally repeating our own language, and could very well have adopted our analogy about "fishing" for evidence.

More than that, the implications of his decision not to prosecute lead heavy emphasis to our discussion of the logical dilemma arising from the operation of two different types of procedure for eliciting and assessing evidence. It is a ridiculous conclusion that Sir Donald Somervell impliedly invites the public to accept, namely that whereas Mr. Thomas is proved guilty under the wider rules of evidence applied by the Tribunal, Mr. Thomas could not be proved guilty under the narrower rules of evidence applied by the Courts. If this is so, then it appears that anybody's innocence or guilt of an alleged offence is not a matter of making the rules of evidence fit the best method of ascertaining the truth, but precisely the opposite, cramping the method to fit ready-made rules. We invite readers to consider what might not have happened if the Tribunal as now constituted and empowered had been called upon to investigate the allegations brought against Lord Kylsant in respect of the affairs of the Royal Mail Company. For reasons that they know, the verdict might very well have been: "Technically guilty but morally innocent." During the trial in Court Lord Kylsant's counsel were not allowed to call evidence that the steps taken to disguise the misfortunes of this company were constantly being adopted by other companies. A narrow rule was applied to this following effect: "This Court is not concerned with what is being done by other companies; it is concerned solely with what has been done by the company now before us." Of course the judge had no option but to apply this rule: the Court had to confine its attention to the acts of the person whom the Crown elected to prosecute. But this goes to confirm what we said last week of the restrictions imposed on judicial investigations by the requirement that the system must be an identifiable prosecution for an identifiable defendant. This turns the proceedings into what the Irishman would call a "private fight." Yet the issues raised in this trial involved the public interest, and all the more deeply according to how far it was true that the indictment by the Crown could be shown to lie against other people besides the person proceeded against. It is obvious that when an act which the Crown chooses to characterize as criminal can be shown to be a matter of common practice, something more is needed from the point of view of the public interest, than the selection and conviction of a scapegoat. That something more could have been accomplished if a Tribunal had been set up to investigate not only the facts concerning Lord Kylsant's act, but also the practices governing the accounting of reserves and the reasons why they were followed by company directors and accountants. If such a Tribunal had sat and had exercised the same powers as the present one it could have elicited the fact that frankness on the part of directors would frequently be fatal to their enterprises directly they suffered a reverse.

Newfoundland Bonds.

The American magazine, Time, was mentioned in the House of Commons as having published statements regarding an alleged leakage of information regarding
policy in relation to Newfoundland. A Commission was appointed to inquire into the state of Newfoundland’s finances. The Commission issued their report on November 17, 1913, and the Government published, on the same date, their proposals based on the report.

Mr. Thurtle, in the House on June 11, asked whether there was a prima facie case for an investigation into rumours that there was a leakage of information which resulted in a rise in Newfoundland bonds and stocks before the issue of the report. Mr. Thurtle admitted that there had been a rise, but not until after the issue of the report. The Star of June 11, however, published a table derived from The Financial Times of the same date, showing that on July 1 and November 21, 1913, prices of the 3 per cent £50 each, and the 5 per cent. Bonds £7 10s. and that on November 22 of that year there were further rises of £7 to £14 10s. in the 3 per cent. Bonds, but the 5 per cent. Bonds showed a decline of £3 compared with the previous day’s price.

Question of Leaksage.

In the course of his answer to Mr. Thurtle Mr. Baldwin used these words:

“I have received a categorical assurance from the firm mentioned by this newspaper that no transactions in Newfoundland Government securities have been done or on account of that firm or any of its partners.”

The terms of the allegation have not been made public and it appears that the page containing them had been excised from copies of the magazine sent to subscribers in this country. Had that not been done Mr. Baldwin expressed the opinion that an action would have lain against the publishers.

Conditions For Holding Inquiries.

Another passage in Mr. Baldwin’s reply must be recorded. Referring to Mr. Thurtle’s question whether the Government intended to hold any inquiries, Mr. Baldwin stated that the Government were not inclined to hold inquiries, reflecting as they did on the “public purity of this country” ought to be examined, he said:

“It entirely depends on who makes the charges and where they are made, otherwise we should be doing something else but examining them.”

If this means simply that the Government must be satisfied that charges are reasonably made and without ulterior motives, well and good. But there is room for a lot of elasticity in the application of this principle. It would lend cover to the adoption of a new doctrine, namely against whom was the charge made and who would be the ultimate beneficiaries? Evidence proved the fact of corruption. The Week, in one of its recent issues, when commenting on the Government’s decision to investigate the Budget-Leakage allegations, alluded to a cynical rumour in Parliamentary circles that the decision was not arrived at until it had been made certain that no-one else besides Mr. Thomas would be implicated, the calculation being (according to the rumour) that if he were to be convicted the public’s confidence in the general incorruptibility of Ministers would not be weakened, or, if weakened, not so much as if the delinquent had come from the (even less likely) ruling caste. In blunt parlance (our own), this is the way the moral will be that the Socialist party may be trusted to throw up incorruptible rulers.”

Revealed corruption of this kind shows the kind of behaviour of which high political rulers are suspected to be capable.

Loans, Plot, and All That.

Mr. Thurtle’s questions constitute a symptom of a tendency to overdo the inquiry business. The value of a Tribunal would just as certainly be lost by over-em- ploying it as by under-emplying it. Our remarks last week on this subject made it clear, we hope, that the question we wanted to ask made in the Tribunal lay in the opposite direction to that of discovering whether one or that person had acted corruptly; namely, in the direction of exploring the affairs of our incorruptible Archangels. It is of vital importance that the public should be assured that the motives and actions of our rulers are pure this moral purity above will be reflected in material security below. On the contrary, the ruler who corruptly makes a bit for himself does not do a thousandth of the damage that is done by him who prevents a large section of the community from making bits for themselves, even honestly. It is the nature and magnitude of consequences that should decide subjects of inquiry for Tribunals. The two great urgent evils needing investigation to-day are the widespread insecurity of the conditions of living, the equally widespread insecurity in the conditions of living. Students of real politics are well aware that the influences which have caused these evils, and are perpetuating them, proceed from incorruptible sources. If a Tribunal is only to be set to work when a prima facie case is made out that someone has acted corruptly then goodbye to the prospect of any fruitful result. Every inquiry would lead into a cul de sac.

Intelligent Anticipation.

Again, there is a danger in agitation for investigations, that they incur the chances that if these inquiries are held they result in the discovery of mists’ nests — and every one of us has seen that this happened the usefulness of the Tribunal. The tribunal is no doubt a battle- piece of extravagance.

The use of the Protocols episode raised the question of the truth. Unfortunately a trial has never happened, and the Protocols have not as yet been released. It is not necessary to invoke theory of the community to explain the rise, and even if it were, the circumstances of the Protocols were not present. It has not been specific and definite, and even so, it has not been deliberate and corrupt.

To illustrate this we may recall the story once told of the French love of Sulinin, how the art-china had announced the Government’s delusion, and sold out his stocks at reduced prices. All 1920, sold out his stocks at reduced prices, while his neighbours were buying stocks. But Sulinin’s neighbours bought his stock and later sold it to other neighbours.

The Protocols last week were in print in 1903.

The Protocols concern with which events during the last 33 years have coincided.

The Protocols were once a thing of the past, but now they are a thing of the present and future. The first inference which the Jewish Protocols invite their audiences to accept is that the historical fulfillment of the prophecies (inherent in the plans described in the Protocols) is so exact that the Protocols must have warned not only the Jews but others that they must be made true. The second inference is this: that the historical events referred to have been so great in magnitude, so diverse in character, and so widely separated in place and time, that no other Prussian or other behind the policy of definition, and of the impact of that purpose on price-levels. Yet, supposing that he had happened to be on terms of friendship with the Chancellor of the Exchequer, or any other Minister of the Crown, this would have afforded food for gossip about "corruption" to his enviable neighbours, and might conceivably have evinced in questions in the House by some left-wing "purger of our public life." Again The New Age itself could have been made an aspect of this sort of suspicion at the time when the South African Government lowered the value of its currency, and thereby raised the price of the precious and exported gold. We forecasted, some months before it happened, that these premiums would not accrue to investors in gold-mining concerns but would be absorbed by the Archangels via taxation to be imposed by the South African Government. This was virtually a tip to small investors to remember the fable of the dog and the bone, and not to drop the securities they held in order to procure for the glittering opportunities offered in the South African Government stock at a premium. We thereby created a speculation belief that these were golden opportunities. Our tip came off. Supposing that at the time of our giving it we had been noticed going to prize-fights in the company of Mr. Solly Israel and other high-financial magnates, there would have been plausible grounds for the suspicion that he had given us information. We did not have inside knowledge; we had outside wisdom derived from what most people would have regarded as academic theories, and, unfortunately, still do.

The Protocols are not the only matter in which the New Age has been involved. In the case of the Jewish Protocols the New Age was considered an informer of the conspiracy. This is the conclusion that one is invited to adopt.
a mathematical error. And when the consequences prove to be evil (as they mostly do) one may truly say that the evil lies in the error, and is not the outcome of a plot on the part of those who impose the rules unless it can be shown that they were aware of the error—in which case the charge against them is a passive conspiracy of silence, and not an active conspiracy of performance.

Now the picture drawn by exponents of the Protocols can be comprehensively described as one foreshadowing the progressive descent of the peoples of the world towards disruption in every plane of life, material, moral and cultural. And there is no denying that events have been happening according to the shadows they cast before. The deep-seated conviction of Social Credit knows that there is a single cause of all the varied phenomena foreshadowed by the Protocols, and that is the ultimate outcome. The evil residing in the primary mechanical error, on the discovery of which Social Credit is founded, is automatically transmitted into apparently rational errors in all the relationships of man with man. One might say that the road to hell is paved with first-class documents.

Ministerial Salaries.

The Week (June 18, 1936) makes reference to the insufficiency of Ministerial salaries, stating that recently private efforts were being made by certain Peeresses to assist Mr. J. H. Thomas to meet expenses attached to his position. The name of this Peeress is given, but it is not published.

The New Age makes no reference to the law case, as neither the Judges nor the Peeresses have been named. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peerresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.

The Week says that the law case is being continued and the peeresses are likely to be raised to higher offices in the future. The new law case is being continued and the peeresses are likely to be raised to higher offices in the future.
of every form or kind revealed to man flies to points, the importance of each point, i.e., each individual (or pair) is terrific. It cannot be exaggerated. It is a contradiction of natural law; a definite inverson of nature's order of payment. 

The higher forms of human power (not necessarily the higher quantities) come after the bodily forms, and we have not looked at the third phase yet. We must already see, however, that the last to come is that most world-wide increase. The next article we shall see how the three phases must balance, and entrophy will help us again as we see more of their implications.

(The to be continued.)

The Waterlow Case.

Mr. Gavin Simonds's arguments before the House of Lords (1931).

[Following numerous requests from correspondents, we publish further passages from the hearing of this Appeal—Ed.]

H.

Mr. GAVIN SIMONDS: There is one point upon which I do want to ask your Lordships. Later on, I think, the right honourable Lord Inge will deal with it. But it is a question that is raised upon the liability of the Bank of Portugal. I do not for a moment accept the view that that value of the note really rests upon the liability of the Bank of Portugal, as soon as the régime of the Bank, and I will come a little later. In my argument, I want to safeguard that. Your Lordships may accept or not accept my argument, but I am putting forward, but I do put it forward, and it is a absolutely true proposition that caesius paribus the issue of a number of notes has the character of the currency alters the value of the currency and so modifies in terms of that currency the value of the assets and so any Lords, I do want to submit that it is a proposition which is self-contradictory, to say that a Bank of issue because it issues notes to a certain face value and not others with the currency and does not have an appreciation of its own assets other than those assets which are simply in the form of the currency and debt. And I want to deal with this fact. That where your Lordships have as a fact, that I am using my word when I say that it gives the right to the currency to exchange for 500 Escudos or to gold, exchange for 500 Escudos or change for 500 Escudos or change for 500 Escudos, the Bank will give to the bearer of this note an exchange for it, first, any time on demand, note, 500-Escudos or notes totaling making 500-Escudos bearing on them this endorsement, the same endorsement that is here, second, and which is by law the Bank's notes are irredeemable, demand then on demand such quantity of gold as is deemed to be payable to the note, I have reason to be accurate as I can in the possibility of the possibility arising the moratorium is suspended, when the amount of gold is sufficient to cover the notes should that be able to be paid after the note, at any time for it is by law enacted that some new currency is to be held and the notes in such currency, then on demand a proper amount of such currency. I am sure that in such case the obligation is to be held to the note, and there is no currency now except that is held and the moratorium is suspended, which is an obligation to be held, of course, if there is always a possibility, one can cancel the State may introduce some new form for the Bank may impose its notes by such currency.

is a remote possibility, but a possibility, and therefore, I am writing it out.

Lord RUSSELL: Is it this that is the obligation which is imposed upon the Bank when it issues its notes of paper, that and nothing more.

Lord RUSSELL: I think your argument. And another thing: If and when the Bank is wound up the assets will be applied ratably in paying off all the notes.

Mr. GAVIN SIMONDS: I am not sure that it would follow; that would have to be matter for arrangement.

Lord RUSSELL: I think that is put against you.

Mr. GAVIN SIMONDS: I am very anxious to meet every possible assertion of the right honorable Person and carefully consider this last night, and your Lordships will allow me I will make a reference.

Mr. RUSSELL: According to my recollection that is the only substantive point put by Dr. Ulrich his evidence; when he was cross-examined by Mr. Birkett he ultimately took up the position that in a winding-up there would be debts or another would be depended pro tanto the amount of surplus if any available for its shareholding.

Mr. GAVIN SIMONDS: It was upon that footing I remember very well that my Lord Chancellor put a question to me as to what would have to be done to a jury. I concur that upon a liquidation the question might arise and the jury would have to take into consideration that element also, quite easy in saying that is not now the case presented, I think it carefully last night. My Lord Warrington put to my learned friend Mr. Bevan, at page 140 of the transcript of the evidence, that seems to me to be the whole difficulty. What is the liability which you have incurred?

Lord WARRINGTON: Mr. Bevan, I think you answered that you would be able to claim for damages in a different way. You might have framed it on the footing of the agreement that your credit was not interfered with. (Mr. Bevan: I think so.) But if I have not, I never have. (Lord Warrington) Or it might have been that in a liquidation it would have been admitted or put in it that way. (Mr. Bevan: That is, I think there is no such claim.

Lord ATKIN: What in the world has that passage the short article got to do with the question whatever is to be the article as well as the putting to you?

Mr. GAVIN SIMONDS: Well, my Lord, I thought it would be good deal to do with the question which I would be able to deal with the case which I good to do with the case as well as the question whatever is to be the putting to you. Lord ATKIN: Nothing at all. Mr. Bevan is saying that he is not putting his claim on the footing of the claim that he would have to pay upon a contingent liquidation. He states that when you understand Lord Russell you are not interested that the obligation, that the obligation would involve amongst other things the relation to the holders of the notes and shareholders of the notes.

GAVIN SIMONDS: The last thing in the world I should want to do would be to read my Lord's suggestion in the light of my Lord's suggestion, that that was an indication that by the issue of a note the Bank was damage suffered by the Bank; and, of course, if so, my Lord's last thing in the world I want to do is to read

into my learned friend's answer more than he meant. I do not wish to do anything of the kind.

Lord RUSSELL: It had to be a very unusual liquidation because you are liquidating a concern which is the monopolist as to currency, and at the same time you liquidate that, some new and fresh currency would have to be substituted. I do not know how it would work out.

Mr. GAVIN SIMONDS: Whatever those rights were, it is agreed what they are, you would have. I have endeavoured to write out fairly, subject to what my Lord says as to the possibility of a liquidation, but for a purpose of litigation created by the Bank in issuing those notes.

Lord ATKIN: It seems to amount to this, a purpose to pay the back of the case of the of note that note in the country at the time being of the country; although it is in a number of forms, that it is the only one in the name Bank. Mr. GAVIN SIMONDS: The importance is to see what is that obligation. I have tried to write out it, I think it will be great respect that I have written it out accurately. Then the question is, what is the damage which the Bank suffers by incurring that obligation. That is the point.

(The to be continued.)

The Films.

"Androcles." The Empire has this week been demonstrating an ingenuity novel novelty of the name. This is a blend of colour, sound and stereoscopic, the last being effected through the use by the audience of red and green spectacles supplied by the management. The film "Androcles" is an apt description of the result; persons and objects appear to leap straight out of the screen. Neither the colour nor its reproduction, however, those technical details need be passable, but those details themselves are probably passable. "Next Time We Live," Directed by Edward H. Griffith. Regal—should a woman prefer happiness in married life or a career, if the two are incompatible. One other old friend, the woman who is going to be for me, should be noted, a man to play on a monotonous and unequal note of hysteria. In appearance Miss Sullivan resembles a cross between Grete Gotsch and any other style of a close-up picture of six charming young ladies she is to model herself. "Letter from Zero." Directed by Karl Anton. Studio One. I can recall no success in the primitive days between the War, so compact of anxieties. By comparison, "El Fumillo" was a model of slickness and production—Germany is unknown. Those who are apparently were unable to make up their minds whether whether Gillie seems to have the sense of the now enlivened "Lady Harriet" and "Lady Gloria"; such English lines and farmhouses interiors and exteriors were never seen in this country before. It is a very obvious thing; the characters arc without exception people; the conception of the English person is grotesque. The "Schwarze Dreiecke"—on the other hand, and such productions throughout; everything is consistent with the use of German inscriptions and inside buildings are not English. Most that of the English titles bear no resemblance.
LETTERS TO THE EDITOR.

LABOURCARE ON CONSTITUTIONALISM.

Sir,—Some of your readers who, now and again, want a rest from A.B.C. asked or friend, cannot do better than read Heseltine's very well written little book of "Labourcare".

Incidentally, they will, I think, come to believe that, had he been born 50 years later, he would have been one of us and in the can. I submit a couple of extracts.

PHILIP H. KENWOW.

1. From a speech:

"It seems to me that in a community which aspires to the title of a civilized one, some organized provision should be made for those who must always be deprived of their livelihood when machinery takes the place of human labour. It is a disgrace to us that the humblest and weakest members of the community should suffer for every step that is made in the progress of industrial development."

2. "Perhaps he never expressed his outlook better than in the phrase, 'My idea of government is that it should interfere as little as possible with human liberty.'

As a firm believer in individual freedom, he frequently shielded the House of Commons by telling it that revolutions were occasionally necessary. "I have always been in favour of revolution when people have not got their rights and are unable to obtain them by constitutional means." On general principles he favoured rebellion. "Who would now be called the greatest man in the United States? Why, Washington. And who is known as the greatest man in England? Hampden."

CAPITAL CHARGES IN PRICES.

Sir,—Mr. Coleman's letter carried in the discussion as to whether the prime cost of capital assets enters into prices against consumers is interesting, but not Douglas Social Credit.

Major Douglas insists that "each time" money is saved and invested a new cost to that total is created against consumers. Mr. Coleman says that it is not so if the investment is in Ordinary Preference shares, where it is right and Major Douglas is wrong. Mr. Coleman, however, then proceeds to put up a redoubtable defence of Major Douglas by arguing that the investment is in redeemable bonds, then the subscribed sum must be recovered by the firm in the prime of its ultimate products. In that case of two firms making boots, if the capital of one has been provided by the issue of Ordinary Preference shares and the capital of the latter has been mainly provided by Debentures, then, according to Mr. Coleman, the prices of boots made by the latter firm must be all that much higher than those made by the former. The truth is that the purchase of redeemable Boots or Debentures is not in any way whatever a cost against consumers; it is merely a transfer of holdings amongst investors.

The process by which industry in the employment of capital are met by the raising of new capital or by deduction from the sums which would normally be paid out as profits. In the latter case the shareholders do not receive additional nominal capital in return for the profits which they forego, but their gains take the form of capital appreciation in respect of their existing holdings.

The ex-roy of the position so far as Mr. Coleman is concerned is that he assumes that payments made for the redemption of Bonds or Debentures constitute an addition to prices and not a deduction from profits. A moment's reflection should demonstrate that the former cannot be correct, since it would render the price unaltered. While the producer has to compete on level terms with other producers who may have less or no redeemable capital, he can meet such charges only by raising fresh capital, or by a deduction from his profits. In neither case can it be said that the cost of the redemption goes into prices, since that obviously prices are not increased thereby.

Mr. Coleman's other argument is that if capital is sacrificed out of profits, then it comes out of paid-up capital by inference, that if the capital is obtained from saving out of wages or salaries, then it was not charged on the capital prices! No such distinction can be made. Profits are one of the costs of production in just the same way as wages and salaries, and only in that sense originally appeared in past prices.

That investors obtain their return thus is disputed by nobody. But when Mr. Coleman says that "it is true that there will be no need to charge this sum into future prices if then he is absolutely right; but, I suggest, he is deviating from the very different of the whole Social Credit case put forward by Major Douglas.

I would be glad to discuss Mr. Coleman's personal position on these technical points at length on a future occasion.

The point I wish to emphasise now is that the two main distinctions that he draws certainly cannot be accepted in any orthodox exposition of economics; they are fallacious. But neither can they be accepted by Social Creditors without the underlining of their whole case.

[The community pay for all physical capital in the nature of a render of the income in prices and investments. Continuous, at any moment they are paying maintenance charges on existing physical capital, and in addition the full cost of new capital. Their total income is rendered in this way, and as it is surrender it is being cancelled.—Ed.]

Publication Received.

Report of the Economic Crisis Committee of the Southern Chamber of Commerce (Inc.)—This Report, now in its twelfth edition, was issued in June, 1919. It contains a small nature, combined with the magisterial under which it has appeared, attracted wide attention in commercial circles.

Readers may obtain copies (price 6d.) through any bookseller, or from the Southum Memorial, 8, Portland Terrace, Southampt (post free).

Forthcoming Meetings.

Leaders Social Credit Club.

Blueson Room, Ganton Street, S.W.-June 29th, 7.45 p.m.—Social Credit, The Economic Crisis, by Mr. W. F. Engin, Chairman of the Social Credit Group, Birmingham.

June 30th, 7.45 p.m.—The Simplicity of Social Credit by Miss Prettell.

Lecture and Debate.

A LECTURE followed by discussion, has been arranged for Tuesday, June 23rd, at 8 p.m. in the Ethical Hall, Queen's Road, Bayswater, Mr. Brundell will discuss "Social Credit." The attendance of monetary reformers of different persuasions has been promised, and debate is looked for. The Ethical Hall is in the same Church in Queen's Road, near the Bayswater church of the Church of England, and the Metropolitan and London and Metropolitan Na.

"NETHERWOOD," The Ridge, Hastings.

4 acres of lawns and woodland. 500 ft. up, swimming pool, gymnasium, tennis court and dance school. Horse produce for all diets. Cent. H. H. & C. all bedrooms.

From 7/6 a day inclusive.

Write for illustrated brochure.

ACADEMY CINEMA, 165, Oxford St., GERMANY.

The Swiss Psychological drama.

"DIE EWIGE MASKE." A striking study in psycho-analysis.

Published by the Proprietors (Lavender House, 23, High Holborn, W.C.) at 2/-, with the cooperation of the Academy (41, Charing Cross Road, Charing Cross, and 104, Queen's Road, 3/-.) with the co-operation of the Academy (21, Charing Cross Road, W.C., and 104, Queen's Road, 3/-.)