

# USE OF CREDIT

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(Following is the eleventh and final of a series of weekly articles on postwar planning. Comments from readers are invited. The opinions expressed are not necessarily those of the Tweed Daily).

(BY J. J. ORLOV).

The fact that the whole of our present material civilisation is founded on credit makes credit the most important single development of humanity.

As such it is receiving a great deal of attention. No school of thought has as yet solved the mysteries of its often unpredictable workings. At best we have only inferred theories, which make too many exceptions and allowances ever to become anything more. Still, we know enough about credit to use it, and possibly to attempt to improve its use somewhat. In our ideas on social reconstruction we would like to make credit easier and more plentiful.

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The existence of so many flourishing varieties of "loan" companies proves that there exists a large and legitimate demand for an elastic small-credit system, which our banking system is apparently unable to supply. Interest rate of those companies, whilst controlled, is sufficiently high to compare unfavorably with ordinary bank practices; and since it is the not-so-wealthy people who mostly patronise those companies, the ones that are least able to are paying the highest price for the use of credit.

Solution of this problem is by no means simple. It seems that firstly it is not a question of lack of capital amongst the less wealthy people. The fact that more than twice as much has been deposited in our Commonwealth Savings Bank than our leading commercial bank has loaned to all its customers, governments inclusive, will help to bear out that our "poor" people have a sufficiency of capital. It is a lack of enterprise and technique, also the natural conservatism and "safety" demanded by those who individually have not very much that is the apparent trouble.

Mutual, co-operative loan societies, operating either independently or possibly through any existing banking agency, seem to be an answer to this demand for elastic

answer to this demand for elastic, easily available credit. Such societies are decidedly worth considering in our social reconstruction plans.

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**SYDNEY, Monday: All principal coalmines on the South Coast are idle following decisions by pit-top meetings today in favor of an immediate stoppage.**

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