

# **“Must Not Use Economical Terms Loosely”**

(Following is the tenth of a series of weekly articles on post-war planning. Comments from readers are invited. The opinions expressed are not necessarily those of the Tweed Daily)

(BY J. J. ORLOV).

Finance, the art of administering money, is perhaps the most popular, abused, mysterious, misunderstood art in existence.

We are all “financiers” of a degree. We all have ideas in the mat-

grace, we all have ideas in the matter, though none of us knows a very great deal about this subject. Most of us, however, are of opinion that there can be no social reconstruction without some vital alterations in the realm of finance. Perhaps so.

If we are to discuss this matter intelligently, we must make sure of not using economical terms loosely. Such expressions as bank credit, social credit, State banking and many others we often used without the necessary precision of meaning behind them, with the result that wishful conceptions are often wrongfully attached to such terms.

Thus no credit is a credit if it does not create a repayable debit. If it is not repayable, then it is a gift, gratuity, dole, anything but a credit. And no such kind of "credit" is or can be given by any bank, Treasury or Government. Such institutions can only perform the book-keeping in the matter, while this actual non-repayable credit is a donation (often unwilling) from producers of bread and butter and various services such credits are purchasing.

A repayable credit does, in fact, re-create consumed wealth, making it again available to community by repayment; but a non-repayable "credit" does not necessarily reproduce itself or rather reproduce

duce itself, a rather popular conception of it being as a non-reproducing consumer credit, which decreases our total wealth.

In discussing social reconstruction in the realm of finance, we must first make sure of having some clear understanding of the ramifications of that prime mover of our material civilisation—credit.