

Cash-and-Carry

The how-to-keep-out-of-war problem has resurrected the cash-and-carry solution.

The theory is that we were dragged into the last war first, by extending credit to the allies to whose rescue we had to come in order to insure collection, and, second, by the sinking of our ships by German U-boats. Therefore, if we insist on cash and on the customers carrying the goods away in their own bottoms we shall avoid both the economic urge and the irritation of our national pride which got us into the last scrap.

Perhaps the "carry" part of the plan might work. Yet, there is the possibility that the belligerents may send their submarines or their airplanes to blow up cargoes on our piers, thus bringing the war directly to our shores. In the last war our munitions plants were blown up by German agents.

As for the "cash" part of the proposal, one wonders how a school boy with the slightest knowledge of international trade would seriously consider it. What is "cash"? There is no international money, and if we accepted pounds, lire, francs or marks we would have merely so many promissory notes. Gold? What would we do with it if we had the world's entire supply of this metal? Gold is only of use if it is accepted by trading nations as a measure of values, and if each of the nations has a supply in its vaults to guarantee the measure.

The only "cash" that is always desirable in international trade is goods—things produced by human labor. Therefore, if we decide to do business with belligerents on a "cash" basis we must be prepared to accept from them things that they can and we cannot produce, or things they can make better than we can.

In fact, if we adopted the policy of trading freely with all nations there would be no war to get into. To buy from us they have to sell to us. To pay for our automobiles the Italians would be quite busy making cheese and wine and olive oil. And the Germans would hardly have time to make instruments of war if they

had to produce mirrors and razors and cameras in exchange for our wheat.

Yes, the "cash" part of the plan would keep us out of war. Why not start it now and prevent war?