

Curbing the Dollar-Down Buyer

LONG BEFORE THE OYSTER became a national mint, business was conducted "on the cuff." At what period in his development man learned the benefits of contract will probably never be known. Perhaps it is a natural trait; even children will accept a promise to perform. At any rate, man seems to be the only animal that does business on trust, and the degree to which the mechanism of credit is perfected measures the progress of man's struggle to improve his lot.

Contrariwise, any interference with the mechanism of credit drives man back toward his cave days. When brigandage is common, when government intervention makes for uncertainty of repayment, when general unemployment undermines the willingness to fulfill contracts, credit ceases, and the barbarous system of barter is approached.

Furthermore, doing business wholly for cash is only one step higher than barter, for the limited amount of accepted currency makes for a limited amount of exchanges.

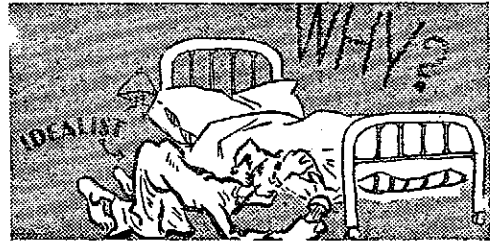
A recognition of the importance of credit to man in seeking satisfactions is the recent restriction on installment buying. This method of pledging future production for present enjoyment has gone a long way toward improving the lot of the worker; it has also greatly accelerated the tempo of our production, meaning greater employment of labor.

But now the demands of the war on the sources of supply, which are held down by tariffs, patent monopolies and the private ownership of natural resources, make it necessary for men to forego the gratification of desires. That the curtailment of credit should be the means used to clamp down on exchanges illustrates the importance of it in our economy.

How could the government further use this means of stopping the exchange of goods and services for goods and services? You buy a theater ticket on the assumption that when you present it the management will fulfill its contract by giving a performance. Selling tickets in advance could be abolished. Likewise, the credit you give the railroad by buying a commutation ticket could be stopped by insisting on cash at the ticket office at train time. All charge accounts could be outlawed. Promissory notes of all kinds could be stopped with a prohibitory tax.

As a war expedient such measures intended to substitute cash for credit transactions would be very effective in that business would be strangled; consumption of goods would be curtailed tremendous-

ly. But what would be the social effect? Those who have more than their labor to exchange, that is, those who have claims on labor which can be turned into cash, would be in a favorable position. They would be the much-sought-after buyers. Theirs would be the market.



And that is exactly what the present restrictions on installment buying will tend to do. This legislation, whether so intended or not, is distinctly class-angled. Those with money will be favored by it.