

MONEY VS. BARTER

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While it is commonly stated that Money is a substitute for Barter, that is not exactly true, because Money is abstract and never leaves the individual, and Barter deals with true exchange in a material sense. It would be better stated that the function of Money is substituted for the process of Barter.

Barter is understood as true exchange on the basis of equality, while the function of Money, once it is initiated in use by its possessor, continues to function of its own natural character in acquisition without equality as Credit-F. This may be repeated several times in acquisition before the Credit returns to be redeemed and cancelled at the source in Money. No material equality occurs in cancellation.

One may wonder what this might have to do with the inflation now ravaging the country's economy. It has everything to do with it. For many years this writer has stated that this country was really on a Barter basis with a depreciating currency.

Bankruptcies may reach records this year in the country. The controller of "inflation" stated publicly that the country has been running on credit that must cease or be reduced. The "credit" to which he referred was not true redeemable Credit-F, but false (no-credit) credit. The use of inconvertible credit certificates goes back continuously for forty-seven years, when the currency was "devalued." That means that the country has been running on inconvertible currency conveying false evidence of redeemable Credit-F, the true bearer of the function of Money. It also means that use of certificates of "no-credit" credit to acquire goods ends as statistics of debt, rather than returning to Money, its ambivalent, in redemption. This has been a continuing process for forty-seven years; no wonder that bankruptcies ensue.

The purpose of this essay is to stress the magnitude and enormity of the importance of Money and Credit, its ambivalence, to the common man's appreciation of this mechanical aid to survival in trade, that he would permit the use of a false substitute to be used until the annual cost of government has reached, numerically, over 400,000 million (false) units, as contrasted to 2000 million units seventy-five years earlier. It is a measure, in a sense, of what people would pay for the Use-of-Money.

What is happening today is that we are actually in a Barter economy, but rather than resort to the inconvenience and added cost of Barter, the public, rather than demand the opportunity to understand Money, gladly accept without question the false currency in various forms, giving Trust for Integrity, which is not there. It is true that the statisticians will eventually in retrospect summarize the value of all goods acquired with "no-credit" credit, at always increasing prices, at only the cost of the paper. Only ten years of this process will come to well over five trillion units (five million-million). When any accomplishment is balanced against the waste, the loss will be enormous. Only a return to respect for Trust in exchange for Integrity and true value will save the day and nation.

In the year 1778 the economist Adam Smith wrote, "Governments have never been known to pay their debts in full."