

System in operation. We have the materials. It does not cost money to work. Money is created as a witness of work done and of goods produced. It is not a means of production, more than the books in an office are a means of producing goods in a factory.

Each and every Sovereign State should be encouraged to install a National Money System and to finance its own people in promoting and fostering its own material growth and social and cultural development. Loans of goods from one country that are needed in the development of another country should be from the Government of the exporting country to the Government of the importing country.

There can be no permanent peace until each Sovereign State sets-up and operates a National Money system, independently of international banking rings that are under the control of private economic pressure groups, whose stock-in-trade is "bondage" and not productive effort.

Canada must be freed of such financial domination, and she can be, very simply, if we but possess the gumption to monetize our own mental and manual labors and the products thereof, through the efficient operation of a National Money System.

May 22nd., 1944.

The League for Economic Democracy,

HARRY H. HALLATT,

Hon. Pres.

REPORT TO THE COUNCIL OF THE LEAGUE OF NATIONS ON THE
WORK OF THE SIXTY-EIGHTH SESSION OF THE FINANCIAL
COMMITTEE ON MEDIUM-TERM CREDIT TO INDUSTRY.

1. The last Assembly instructed the Economic and Financial Organization:—

"to study the methods of providing medium-term credit to industry."

The question was considered by the Financial Committee at its meeting in December last, and arrangements were made for additional information to be obtained from certain countries.¹

It is clear from the documents received that the problem assumes somewhat different forms and proportions according to the capital resources and banking equipment of each country.

2. In current discussions of this problem, the distinction between the need for capital and the need for credit tends to be blurred. It is, in our view, essential that a clear distinction be drawn between these two types of financial facilities.

3. In countries where there is a well-developed banking system and capital market, big industry has in normal circumstances no difficulty in obtaining the financial facilities it needs and can justify, whether in the form of equity money or in the form of short-, medium- or long-term credit. Large undertakings have access to open capital markets where they can sell their securities and to banking institutions where they can finance their ordinary credit needs and bridge over the interval between the time when funds are required and the opportune moment for public issue.

¹ The Financial Committee wishes to express its appreciation of the very valuable assistance rendered to it by various central and commercial banks.