

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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The Social Credit Secretariat

THE FOLLOWING COMPREHENSIVE STATEMENT CONCERNING THE SOCIAL CREDIT SECRETARIAT HAS BEEN DRAWN UP FOR PUBLIC INFORMATION:—

Social Credit is the doctrine of political economy, publicly originated by the late Major C. H. Douglas in an article entitled "The Delusion of Super-production" which was published in the *English Review*, December, 1918. The starting point of this doctrine was a revelation of certain relations between the structure of society and the mechanism of finance. It is a doctrine that, in some way, the money vote reflects, as accurately as any sum of individual actions can, the reality underlying assent on the part of individuals concerned in association for a "common objective." From 1918 to the end of his life Major Douglas largely devoted himself to elucidating the consequences of this revelation. The student of Social Credit very rapidly becomes aware of the essential unity of the doctrine; it meets with certainty the tests for unity proposed by Cardinal J. H. Newman—it is "one in type, one in its system of principles, one in its unitive power towards externals, one in its logical consecutiveness, one in the witness of its early phases to its later, one in the protection which its later extend to its earlier, and one in its union of vigour with continuance, that is, in its tenacity." [1956]*

The doctrine of Social Credit soon attracted world-wide attention, and with the spontaneous formation of groups of adherents in many countries the Social Credit movement came into being. [1956]

In 1933 the Social Credit Secretariat was instituted as a Secretariat to assist Major Douglas by relieving him of as much secretarial work as possible *vis-a-vis* the Social Credit movement, and to act as a channel through which information and advice affecting Social Credit and organisations working for Social Credit might be distributed to members of the public. It has acted continuously since its inception.

In 1938 Major Douglas appointed a Deputy Chairman, while he himself continued to act as Advisory Chairman. The Secretariat thus became a hierarchical organisation to give expression to Social Credit *policy* and *strategy*; and Major Douglas's authority was expressed in his inalienable power of veto. [1956]

It was Major Douglas's intention that the Secretariat should continue at least as long as an authoritative guidance was necessary to the movement to secure implementation of his political and economic discoveries, and he either laid down or approved the guiding principles of the Secretariat. The responsibility for this continuance passed to his appointed Deputy Chairman on his death, and the principle of responsibility by appointment in succession was thus established. [1956]

The Social Credit Secretariat, therefore, carries on the responsibility of providing that authoritative guidance envisaged by Major Douglas. Any idea, or doctrine, of genuine validity—which meets, for example, Cardinal Newman's seven tests already referred to—is subject to development in time. But it is necessary to discriminate between true and false developments, and it is here that the responsibility, centred in the Chairman, and expressed in his power of veto, of the Secretariat lies. The fundamental conception underlying the formation and continuance of the Secretariat is the avoidance of the misuse of Major Douglas's ideas—an inhibition placed on the misuse of them. [1956]

For its functional activities, the Secretariat has Directors. These functional activities are as determined by circumstances from time to time. Directors are responsible to the Chairman, from whom they hold their appointments. A Director's responsibility is to carry out the particular function entrusted to him on his own initiative, but in accordance with the strategy laid down by the Chairman. It is incumbent on him to refer to the Chairman when there is any doubt as to the accuracy of a statement concerning Social Credit, or of the congruence of a line of action undertaken in the name of Social Credit with general policy and strategy. [1956]

Individually, the Directors of the Secretariat maintain a correspondence with Social Credit Organisations, chiefly but not entirely those affiliated to it, with individual Social Crediters in all parts of the world, and with outside bodies and individuals. *Mutatis mutandis*, they communicate the advice of the Secretariat on various aspects of Social Credit opinion and action, and on matters which have any relation

* Where not otherwise stated, paragraphs are the text of the original statement published with Major C. H. Douglas's approval in 1949.

(Continued in col. 2, page 2.)

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FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

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The Secretariat's Vocation

Douglas's own notion of Social Credit was always larger than any definition of it. His rare assertions that Social Credit is this or that were always tentative and directed to some other point than the imprisonment of his views in a husk with, as it were, a botanist's label attached. Witness the well-known statement, often quoted, that "Social Credit is the policy of a philosophy."

His views on the principles which should underlie, and which so far as he was concerned he was determined must underlie any organisation for the realisation of his ideas were fixed, clear, copious and emphatically expressed from the time of the Swanwick Conference in 1924 onwards. It is superfluous to assert his adherence to the Statement first published in 1949, called merely 'Statement.' He not only assented to it, but, in correspondence with others inside and outside the Social Credit Movement, emphasised its provisions as being thoroughly worked out and the sole basis for full co-operation with himself politically. The Statement has been referred to as The Secretariat's Constitution, which it is; but the form is widely different from most Constitutions, which are explicit where they should be implicit and *vice versa*. The most important features of the Secretariat "Statement" are implicit, and it is necessary that some at least of its implications should be brought out to the light of day. Of urgent practical importance is the explicit securing of the continuity of the Secretariat's function by some mechanism which is not self-defeating in its objective when tested by events which neither Douglas nor anyone else could predict. Douglas himself invariably refused to legislate for a situation not actually present. He was right, however many of his followers fail to recognise why he was right, and that his rightness in respect of 'schemes' for a Social Credit Order of Society extended to even the smaller details of any social order at all. The Secretariat is a social order. Readers familiar with the former connection between Common and Statute Law in England, that the latter was merely the tardy formulation, for the convenience of all, of what has been tried and tested and of what, because of its sufficiency, because custom had confirmed it, had *grown* into law, instead of being merely 'planned' into law, may well direct their attention to a comparison between the Constitution now formulated on another page and what they know to have been the inviolable practice of the Secretariat since its foundation.

There are still those who believe that Douglas could not possibly have devised the Secretariat, because the principles which actuate it are different from their own. Any-

one who reads Douglas's letters to *The New Age* in the 'twenties, will at once become aware how persistent is his intention to convert the Secretariat into an organisation—any organisation—which does *not* embody the principle of majority rule which Douglas did as much as any one has done to dethrone. We know, alas, that there are many who would not on any account assist him in this objective. The Secretariat is not for them. We know there are many who, as easily as we, may assess the accuracy of a sentence purporting to be Douglas's by simple reference to the printed text. This is (though it is neglected) a mechanical task. It is not mere proof-reading (by an intelligent or an un-intelligent proof-reader) that is the function imposed on the Secretariat, but a voluntary response to a vocation of progressive assessment of the completeness of public representations of his views. It is neither an argumentative nor a repressive function; it is, *in the strictest sense of the words*, a scientific, and a philosophical, and a religious function. Above all, it is a necessary function.

THE SOCIAL CREDIT SECRETARIAT—

(continued from page 1.)

to these, on request. The officers of the Secretariat are unpaid.

A special work of the Secretariat is the control, supervision, and preparation of its organs, *The Social Crediter*, and the *Fig Tree*, whose Editors have the responsibilities of Directors of the Secretariat. For the avoidance of some at least of the difficulties incidental to inter-action between the general public and a community of persons within it, as much as possible of the routine work of the Secretariat (*i.e.*, matters of business, *etc.*) as well as all contractual obligations, is handled, on a contractual basis, by Companies formed for the purpose by Social Crediters. The ownership of the Secretariat's publications is held by these Companies; but control of their policies is in the hands of the Secretariat in the persons of the Company Directorate. The Directors are unpaid, and in this as in other respects the rule is absolute that no financial benefit to any individual shall arise from the exploitation of his services to the general body of Social Crediters. The just source of financial support for such activities as those of Social Crediters should be the National Dividend, for an account of which the reader is referred, if necessary, to Social Credit literature. Political agitation—at least as a profession—would disappear from a properly constituted political society. Technical instruction and research, as well as the enrichment of society by the spread of original ideas *e.g.*, science and literature and the fine arts, are not envisaged under this heading. [*Amended 1956*].

The organisation may be correctly envisaged if the movement in alliance with Major Douglas is considered as consisting, on the one hand, of a number of people convinced of the accuracy and importance of his ideas, who desire the implementation of these ideas, and who are thus able and willing themselves to contribute to the attainment of this end, and, on the other hand, the service of this body by appropriate means. The association is voluntary (*i.e.*, arising from the will) on all sides. At any moment, subject to certain simple conditions of elementary justice, the association in so far as the individual is concerned, can be broken down by the simple expedient of contracting out. This brief statement is clearly abstract in its nature, and many

practical details are by no means defined in its terms, although, if the organisation truly reflects the intention which underlies it, the application cannot in any respect contradict that intention.

Social organisation as we know it in its more ordinary manifestations is a web of contradictions and absurdities, the very familiarity of which makes it less easy than it might be for the individual to understand any structure which is, in its essentials, sound. From its origination, the Social Credit Secretariat has been continuously the object of attack by interests which are identifiable precisely with those most clearly instrumental in the war upon human society which has been waged with increasing power and determination for centuries. In endeavouring to withstand this attack, it must pay heed equally to the special dangers to which it is exposed and to the fact of experience that the universe is governed by Laws, "which cannot, in the ordinary sense of the words, be altered, and therefore must be ascertained." These Laws, in our understanding, which must be ascertained but which cannot be altered, comprise association for a common objective as much as anything else, and there is already a considerable literature of Social Credit origin or inspiration to suggest what they are. The present summary is hardly the place in which to review them. They are already woven into the fabric of our organisation; although, doubtless, their permanency even there will be proportionate to the vigilance which accompanies their recognition.

No one who has read even half a dozen consecutive issues of *The Social Crediter* can be in great doubt whether or not it represents a body of thought and opinion, or counsels a course of action, with which he is in agreement. This statement starts from the assumption that he does agree, and that he desires to effect some closer relationship between himself and those who are addressing him. In the ordinarily accepted meaning of the term, we do not *appeal* for support. We recognise that support or otherwise for any policy of importance is a matter for individual decision, and of individual decision to which there should be attached, and to which there is attached so far as we are concerned, a very high degree of responsibility. For that reason, and the more so rather than less, it is desirable to state what, in our opinion, is the nature of the responsibility: assuming that the reader has decided that he should support the Social Credit Secretariat, what does this entail, how can his intention be implemented?

In choosing to support the Social Credit Secretariat, each individual is electing to follow the advice of the Chairman, and to apply it, for the realisation of Social Credit. The channel for the communication of the advice is the Secretariat, the official organ of which, *The Social Crediter*, is a guide to strategy, as well as itself exerting pressure upon the opposition to Social Credit in a variety of ways. Hence its insistence upon its character as "a journal of policy, not of opinion." *The Social Crediter* is not the sole means of communication with the Secretariat's supporters. Special bulletins are, from time to time, circulated among selected groups of supporters, and direct communication with individuals is, of course, maintained. [Amended 1956]

It follows that, in our opinion, every supporter should

be a regular and closely attentive reader of *The Social Crediter*, since it is there that he will find indications of the strategy which he, with others, as a self-elected supporter both desires and is desired to advance. There is further constant exhibition of the reasons determining the choice of one line rather than another, and material designed to enable the reader more thoroughly to master the realities of the situation in politics and affairs. The ideal Social Crediter would be one who had become independent of such aids: armed with an understanding of the situation in which he is acting and of the means available to him to meet it, he would work harmoniously, convergently with others, to gain the ground he desires. But this is a real world, and however well-prepared, the individual gains effectiveness through the increment of association with others.

At the present time, when the vast forces which have been generated during recent centuries seem to be moving rapidly towards a decision, the most potent force which it is within the power of a minority group to exert is the power of inherent QUALITY. No confession is easier to elicit from most observers of good intelligence and undoubtedly deeply interested as well as involved in the political drama set before us than the confession of *confusion* of mind which paralyses action or precipitates it uselessly in a direction which serves any interest but the one the individual most truly desires to serve. The average mind seems to be in the grip of opinions which are *not clear cut*: they lack definiteness and therefore consistency and therefore truth and effectiveness.

Now, such is the spread of technical information nowadays (perhaps to an altogether undesirable extent, leading to much minding of anybody's business but the individual's own business) that most people know what chemists mean by a catalyst, *i.e.*, some substance present among reacting elements or compounds, which itself may be present in exceedingly small amount, but which, in some way, by its very presence, determines action and reaction which otherwise would not occur. The nature of the more abundant reacting substances does not seem to be affected in the slightest degree; but by this catalytic link, which itself remains unchanged, these are brought to behave in a way in which they would not otherwise behave. SO THIS WIDELY DISTRIBUTED NON - CLEAR - CUT OPINION which displays itself in tragic ineffectiveness at the present time can be made *effective* by the presence everywhere of a sufficiency of CLEAR-CUT OPINION. The establishment of such a condition is particularly the objective set before the supporters of the Social Credit Secretariat. All the efforts of the Secretariat are turned for the moment upon developing QUALITY OF ACTION of this kind at its highest possible intensity. If he is truly in affiliation with us, each supporter will participate in this development as fully as he can.

Lastly, a sufficiency of income is necessary to carry on the work of the Secretariat. The total sum required annually is not a large sum, and it is well within the ability of supporters to provide. Few appeals have been made since the beginning of the 1939 war, and it is a matter for satisfaction that a sufficiency of income has been forthcoming, almost entirely in contributions individually small, without such appeals. But this has thrown a heavy burden upon those most active in the Secretariat through diverting

to routine activities time which should have been available for more important matters. It has therefore been suggested that a flat-rate subscription of £3 3s. per annum should be asked from each subscriber. While it is hoped that existing supporters, as well as new subscribers, will find this convenient, it must be emphasised that affiliation is by no means conditional upon such payments. [*Amended 1956.*]

The accounts of the Secretariat are audited annually, and the auditors' certificate to the effect that the expenditure of the Secretariat's income is in accordance with the relevant parts of this statement is available to inspection by arrangement.

Arrangements concerning the formation of groups, as well as detailed information to meet special cases may be had on application to the Director of Organisation. Nevertheless, it seems not inappropriate to state here the attitude of the Secretariat to activities organised on a group or regional basis in affiliation with itself. Firstly, the Secretariat does *not* encourage mere organisation as an objective in itself. The time, money and effort devoted to organisation *per se* should, in all cases, be minimal. Mere arrangements to facilitate the meeting of Social Crediters with one another without there being, as the primary objective, the attainment of some significant and clearly envisaged concrete end in view lead nowhere. It is required, before encouragement is given to supporters to form groups, that evidence be forthcoming that effectiveness in action of the individuals likely to be interested is the motive which brings them together. Assuming, then, a group of Social Crediters who are *active* for the advancement of Social Credit, its function is spiritual rather than organisational in any sense. It is easy to slip from a real increment of association of the kind envisaged in the subtle verses of the New Testament (Matt. XVIII, 18, 19, 20)—the unreal cannot be bound, on earth or in heaven—into a spurious relationship which makes all who participate "all one with the heathen and the publican." The increment of association is not something added to give it a flavour, but is a necessary concomitant, positive or negative in sign, of every association. The Secretariat desires the development of group activities on right lines, and will co-operate with those who will undertake action which is accordant. To test the continuing usefulness of groups, a report will in future be expected by the Director of Organisation from each affiliated group at least annually.

The guiding principles of the Secretariat were either laid down by Major Douglas or approved by him when enunciated by others. The leading principle is that of an hierarchical constitution, voluntary in its nature, the power of veto residing in a Chairman. The second principle, established by Major Douglas by never withdrawing from the Deputy Chairman the responsibility entrusted to him, is the responsibility by succession of appointed Chairmen. [1956]

These principles, and others contained in this Statement, which embodies the Constitution of the Secretariat, being derived from the doctrine of Social Credit, are immutable. The form in which they are stated, however, or their application in unforeseeable circumstances, may vary; but no variation of statement or of application can be authorised except by the Advisory Chairman, if there be one, and the Chairman, or by the Chairman and, if there be one,

the General Deputy Chairman. A General Deputy Chairman is appointed only when there is no Advisory Chairman. [1956]

Signed { BRYAN W. MONAHAN, Chairman.
TUDOR JONES, Advisory Chairman.

The Social Credit Secretariat CONSTITUTION [1956]

1. The Social Credit Secretariat is the body instituted in 1933 by the late Clifford Hugh Douglas.
2. The Social Credit Secretariat consists of the Advisory Chairman, if any, the Chairman, and such Directors or other officers as the Chairman may appoint.
3. The Purposes of the Social Credit Secretariat are:
 - (a) To provide an authoritative guidance to secure the implementation of the political and economic discoveries of the late C. H. Douglas, and to guard against the misuse of his ideas.
 - (b) To advise its supporters in regard to the implementation and realisation of the ideas of the late C. H. Douglas.
 - (c) To arrange for the publication of the official periodical journal, *The Social Crediter*, to communicate the general opinion and advice of the Social Credit Secretariat in conformity with the purposes of the Secretariat, and to make public notices concerning the functioning and organisation of the Secretariat.
4. The Chairman, or a Director or other Officer of the Social Credit Secretariat authorised by the Chairman, may enter on behalf of the Secretariat into contractual obligations with outside individuals or organisations.
5. The organisation of the Social Credit Secretariat, and the succession of Officers, are as provided in the Regulations of this Constitution.

REGULATIONS.

1. The Chairman is appointed in succession by the preceding Chairman, as provided hereafter.
2. The Chairman may become the Advisory Chairman on his appointment of a new Chairman, providing there is not at the time an Advisory Chairman.
3. The Advisory Chairman, if any, has the power of veto in relation to activities of Officers of the Secretariat in their official capacities, and his agreement is required to any alteration of this Constitution, or to any statement, or any alteration of any statement, embodying the principles of this Constitution.
4. The Chairman has in all circumstances a similar power of veto to that of the Advisory Chairman, but subject to the power of veto of the Advisory Chairman, if any.
5. Directors and/or other Officers of the Secretariat are individually responsible for their Departments and/or other duties, subject to the veto of the Chairman.
6. Any financial benefit which may arise from the exploitation of the services of any members of the Secretariat to the general body of Social Crediters shall be paid into the funds of the Secretariat.

- 7. The income of the Secretariat, however derived, shall be expended in accordance with the purposes specified in Paragraph 3 of this Constitution, on the authority of the Chairman.
- 8. The Chairman may appoint a Deputy Chairman for a specified area.
- 9. A Deputy Chairman may exercise the functions of the Chairman for the area specified, subject to the veto of the Chairman.
- 10. If there be no Advisory Chairman, the Chairman shall appoint a General Deputy Chairman.
- 11. In the event of the death or incapacity or resignation of the Chairman, the Advisory Chairman, if any, shall appoint a successor; otherwise the General Deputy Chairman shall succeed as Chairman.
- 12. The provisions of this Constitution may not be altered except by the Chairman and the Advisory Chairman, if any, acting together, or if there be no Advisory Chairman, by the Chairman and General Deputy Chairman, acting together.
- 13. A copy of the Constitution shall be signed and dated by the Chairman following his appointment or following his succession, and by the Advisory Chairman, if there be one.
- 14. If there be no Advisory Chairman, the copy of the Constitution last signed by the preceding Chairman shall be the copy to be signed by the new Chairman.
- 15. Successive copies of the Constitution, as provided for in Paragraphs 13 and 14 herein, shall bear the impress of the Seal of the Social Credit Secretariat, and shall be numbered serially and shall be kept together and held by the Chairman; and the whole or a copy of the whole shall be available to persons who show just cause to study it. This dossier, if published, shall at any time be published as a whole, and not in part only, unless serially in parts in *The Social Crediter*.
- 16. The Secretariat may, through a Director appointed for the purpose, admit candidates to be Associates and/or Fellows of the Social Credit Secretariat by means of examination or otherwise, and may confer diplomas accordingly, which shall bear the signature of the Chairman of the Secretariat and of the Director concerned, and be impressed with the Seal of the Social Credit Secretariat.
- 17. In the event only of the death or incapacity at one time of the Advisory Chairman, if any, and of the Chairman, and of the General Deputy Chairman, if any, the Fellows of the Social Credit Secretariat may form a Council of a majority of living Fellows to appoint a new Chairman, provided that each Fellow of such Council sign the latest signed copy of the Constitution; and this copy shall be signed by the elected Chairman, and impressed with the Seal of the Social Credit Secretariat, and shall be held as provided in Paragraph 15 herein.

- 18. The appointment of any Director or other Officer of the Social Credit Secretariat may be terminated at any time by the Chairman of the Social Credit Secretariat.

Signed { BRYAN W. MONAHAN, Chairman.
 } TUDOR JONES, Advisory Chairman.

Social Credit Secretariat

To all Social Credit Groups and Associations

*Associations desiring to act in accordance with the advice of the Secretariat are asked to fill in the following and post it to The Social Credit Secretariat, Box 3266, G.P.O., Sydney:—

Name, address, and approximate number of members of Association

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We desire to follow the advice of the Social Credit Secretariat.†

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to subscribe to *The Social Crediter* regularly in the proportion of at least one copy for every five members.

We agree not to discuss with others, without authorisation, the details of special advice received from the Secretariat.

Date..... Deputy's Signature.....

To accompany the above form, a brief statement is requested giving the history or account of the initiation of the group, and its present activities and intentions.

BRYAN W. MONAHAN,
 Chairman.

*For this purpose an Association to consist of three or more Social Crediters.

†The Secretariat is the channel used by Dr. Monahan, the Chairman, for the transmission of advice.

BOOKS TO READ

By C. H. Douglas:—

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"... NEITHER DO THEY SPIN ..."

by

BRYAN W. MONAHAN

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ONE SHILLING

The Creation of Credit

A recent Gallup Poll disclosed that a majority of electors are opposed to a policy of credit restriction. It is obviously realised more generally today that credit policy governs economic policies. When this journal first started publishing in 1935, comparatively few people understood the facts concerning credit creation. However, if it has done nothing else, and it has, the Social Credit Movement has successfully shattered the old myth that there is only a fixed amount of money in existence and that the banking system operates on the profits it makes from lending money obtained from depositors.

When we first started to publicise the facts concerning credit creation by the banking system we were bitterly opposed by so-called authorities who claimed, amongst other things, that we were destroying that delicate thing called "confidence." But today Mr. H. W. Whyte, Chairman of the New Zealand Associated Banks, can tell the New Zealand Monetary Commission the facts about credit creation without any risk of being labelled a crank. Mr. Whyte said:

"The banks do create money. They have been doing it for a long time, but they didn't quite realise it, and they did not admit it. Very few did. You will find it in all sorts of documents, financial textbooks, etc. . . . today I doubt very much whether you would get many prominent bankers to attempt to deny that banks create credit. I have told you that they do, Mr. Ashwin has told you that they do; Mr. Fussell (Governor of the New Zealand Reserve Bank) has told you that they do."

During the war years we drew attention to the significance of the fact that suddenly it was generally admitted by bankers, economists, and other "experts," that banks were primarily manufacturers of credit. We pointed out then that it was obvious that the enemies of Social Credit were preparing to implement a policy of "managed money" and to intensify moves towards the Welfare State. Even money reform became respectable so long as it was not suggested that money control be effectively decentralised amongst all members of the community.

The very term "managed money" implies that a few managers will dictate to the individual just how his money shall be spent. And this is what is happening today. So long as the majority accept the "full employment" objective, new financial credits will be made available only to ensure that individuals are employed on those activities approved of by the central planners. Unless halted, this must lead ultimately to the complete Socialist State. The fundamental financial and economic issue today concerns the control of credit not the creation of it.—*The New Times*, Melbourne, December 2, 1955.