Social Credit and Party Politics

A WARNING.

by L. D. Byrne, O.B.E. F.S.C. S.

The question of Social Credit has become a major issue in New Zealand politics during an election year.

Claims and counter-claims have been made concerning what is Social Credit and what has happened in Canada.

As a service to the New Zealand electors, the publishers of this brochure have sought the views on the greatest living authority on the subject, Mr. L.D. Byrne, now living in British Columbia, Canada, where a government calling itself Social Credit is in office.

A highly qualified British professional man, Mr. Byrne was a member of the committee that was responsible for the famous Southampton Chamber of Commerce Report on the cause of the Great Depression, before being sent to Alberta in 1937 by the author of Social Credit, C.H. Douglas, to act as technical adviser to the Social Credit government headed by William Aberhart.

New Zealand electors wishing to cast a resp-onsible vote concerning Social Credit cannot ignore the views of L.D. Byrne.

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Mr. L.D. Byrne, O.B.E.

INTRODUCTION

During an historic world tour in 1934, the author of Social Credit, the Scottish engineer-economist C.H. Douglas, visited New Zealand, giving a number of lectures to large and appreciative audiences. Perhaps the most outstanding of these was "The Use of Money", delivered in St James's Theatre, Christchurch, on February 13th. Douglas stressed that the financial system was nothing but a man-built ticket system, and warned that unless made to reflect the actual truth of a highly successful production system, disastrous results would result in Western Civilisation going down as did Greece and Rome. Douglas predicted that war, revolution and increasing social disintegration were inevitable unless orthodox financial and economic policies are modified. Events have confirmed the Douglas predictions.

While in New Zealand, Douglas was invited to appear before a Government Monetary Commission. As the terms of the Commission did not permit comprehensive examination of the defects of the present finance-economic system, or an examination of what Douglas proposed to rectify those defects, Douglas restricted himself to suggestions of how more satisfactory results could be obtained from the present banking system. These suggestions were recalled by Douglas in a speech, "Dictatorship by Taxation", given in Belfast in 1936, commenting that they had been allowed to "drop into oblivion, which I think is a tactical mistake on the part of the New Zealanders. . . "

The tremendous interest in Social Credit in New Zealand undoubtedly made a major contribution to the election of the Savage Government in 1935, a government pledged to introduce reforms to the money system. There was perversion from the beginning, with the Savage Government increasingly creating a Welfare State. One of the genuine Social Crediters elected, as an Independent for the Bay of Islands, was Captain Rushworth, a man highly praised by Douglas for his understanding and integrity. Rushworth eventually resigned from the New Zealand Parliament, expressing the opinion that Douglas was right about the necessity to mobilise public opinion in support of clearly defined objectives, before anything effective could be done in Parliament. Captain Rushworth was extremely critical of the modern party system.

It was probably a combination of frustration and the temptation of power which led many New Zealand Social Crediters to ignore the warnings of Douglas, and to contest the 1954 elections as a party. Although no members were elected, the overall vote was such that it panicked the Government into promising a Royal Commission into banking. This was held in 1955. One of the features of the Commission was the demonstration of the lack of technical expertise by those representing the Social Credit Party. This confirmed the warning of Douglas that candidates for Parliament should not seek to present themselves as experts.

Although the terms of reference made it almost inevitable that the New Zealand Royal Commission would bring in a whitewashing reportas far as banking was concerned, it did result in one striking confirmation of the power of the banking system to create most of a nation's money supply in the form of financial credit. In his evidence before the Commission, Mr. H.W. Whyte,Chairman of the Associated Banks of New Zealand, frankly admitted that banks create credit when making loans and advances, adding "They have been doing it for a long time, but they didn't quite realise it, and they did not admit it. . . today I doubt very much whether you would get many prominent bankers to attempt to deny that the banks create credit."

One result of the big Social Credit vote of 1954, and the Royal Commission on Banking, was the decision by the National Party to at least promise some kind of "money reform". "Vote for Honest Money" was a National Party slogan at one time. There is nothing very honest about a monetary policy which progressively erodes the purchasing power of people's money by high inflation.

Following their big 1954 vote, it was understandable that the Social Credit party should, at subsequent elections attempt to get itself elected to office, but with no success. The election of leader Mr. Vernon Cracknell in 1966 stirred up hopes that success was eventually possible. But his one term only, before being defeated in 1969 provided no inspiration. Like all parties, every attempt was made to promote issues which could win votes. Those with some understanding of Douglas and genuine Social Credit policies, found themselves in conflict with those more concerned about possible votes than principles.

A worsening economic situation and the election of Mr. Bruce Beetham as leader of the Social Credit party resulted in a new upsurge of support. In an age where a pleasing television image is a major political asset, Mr. Beetham has been able to use television to the maximum advantage of his party. Because he is seen as a major vote-winner, Mr. Beetham has, without too much criticism, been able to quieten those who question his understanding of Social Credit financial policy, and who resent his attitude towards Social Credit's author, C.H. Douglas. His amazing directive that members of his party should not attend meetings of the non-party League of Rights indicates that the Social Credit party is not much different from other parties.

Mr. Beetham's election to Parliament in a by-election in 1977 enabled the Social Credit party to exploit to the maximum the disenchantment with the Muldoon Government, and the failure of the Labour Party to provide any type of alternative. The result was a massive increase in the vote for the Social Credit party at the last elections, although Mr. Beetham remained the only Member of Parliament. But the sensational success of Mr. Gary Knapp, in the East Coast Bays by-election late last year, costing the National Party a former blue-ribbon electorate, was a striking demonstration that a mounting protest vote against the National Government was going to the Social Credit party. Suddenly it became possible that Social Credit party members might hold the balance of power after the coming elections. Prime Minister Muldoon made the incredible statement that if this happened, he would do nothing for two or three months, waiting for the electors to "come to their senses", and then hold further elections. Constitutional authorities have pointed out that Mr. Muldoon's statement is a slur upon the Crown's representative, the Governor-General.

Mr. Beetham and his colleagues have pointed to the Canadian experience in Alberta and British Columbia with Social Credit Governments, to support their claims of what they can do if elected. Mr. Beetham has been to British Columbia, while two members of that province's government have visited New Zealand. While in British Columbia, Mr. Beetham met the former leader of the Canadian Federal Social Credit Party, Dr. Robert Thompson. After failing to use constructively its balance of power, the Canadian Federal Social Credit group was eliminated completely from the Federal parliament. Dr. Thompson, who subsequently joined the Conservative party, later said that Douglas was right when he said that Social Credit was not going to be advanced by party politics. Mr. Beetham clearly has rejected Dr. Thompson's views, based upon hard experience.

In view of the claims made about the alleged achievements of Social Credit governments in Alberta and British Columbia, it was perhaps logical for the National Party to send one of its former Ministers, Mr. Peter Wilkinson, to Alberta and British Columbia to assess what has taken place. Mr. Wilkinson's report in "The New Zealand Herald" was subsequently confirmed by Mr. L.D. Byrne as being basically correct. We include in this brochure the relevant parts of Mr. Byrne's comments. Since then the reality of the B.C. situation has been graphically confirmed by the news of the 1981 B.C. budget. Mr. Phillip D. Butler, Assistant National Director of the Canadian League of Rights, and a resident of British Columbia, reports on that budget:

"Sales tax has been increased by 50%. There is a surtax of 10% on personal provincial income tax for those who pay more than $3,500 in taxes. The petrol tax increased immediately by 2 cents a litre, with the tax adjusted so that at all times the B.C. Government will be taking 20% of the total cost of petrol at the pump. Taxes on liquor and tobacco, hotel rooms, heating oil and natural gas all increased."

Mr. Butler comments that if this is the type of programme supported by the New Zealand Social Credit party, "then God help New Zealand!"

With New Zealand facing the greatest crisis in its history and every indication that a massive protest vote may result in the Social Credit League holding the balance of power in the next parliament, it is imperative that as many New Zealanders as possible understand the truth about Social Credit. A widespread understanding of that truth could enable New Zealanders to demonstrate to the rest of the world how a wealthy nation can make both security and freedom available to all its members.

CANADIAN LESSONS

In commenting on the Wilkinson articles on Alberta and British Columbia, which were described as “balanced and accurate”, Mr. L.D. Byrne suggests that there is no one better qualified than he to comment on the history of Social Credit parties in Canada. Mr. Byrne was economic adviser to the Alberta Government from 1937 until he was purged, along with all other Douglas supporters, in 1943 by Premier Manning. He has been living in British Columbia since his retirement ten years ago as British Trade Commissioner for Alberta. Mr. Byrne writes:

“Before dealing with the Alberta scene, I must digress in order to clarify certain matters, an understanding of which is necessary for an appreciation of events in that Province. The most important has to do with the nature of the body of knowledge termed Social Credit. Contrary to a widespread misconception, Social Credit is not a scheme of monetary reform, nor is it some kind of financial conjuring trick. It is a *policy*—the policy of a philosophy stemming from Christianity—which extends into every aspect of social life, namely economic and financial, political and cultural. This policy is directed to ensuring to the individual maximum freedom by transferring to him effective political and economic power—neither of which he possesses at present.

“It should be noted in passing that those who so ardently uphold the present financial system common to the noncommunist countries, refer sneeringly to Social Credit as “that funny money scheme.” Could there be any kind of “funnier” money than that which shrinks before your eyes in value from week to week through progressive inflation, rising debt and increasing taxation resulting in the eroding of savings and the stifling of incentive? Yet this is what we are asked to believe is ‘sound finance.’ In contrast, genuine Social Credit finance would result in progressively falling prices and rising real incomes, shrinking debt and taxation, and expanding scope for incentive.

“Reverting to Alberta—Mr. Wilkinson reported the present situation in that Province substantially accurately. Under an efficient and orthodox Conservative Government, the maximum advantage has been taken of the booming oil and construction industries. The principal cities of Edmonton and Calgary have increased five-fold in population over the past thirty years, and the Province enjoys the highest per capita income, the lowest per capita taxes and the lowest unemployment in all Canada.

“As Mr. Wilkinson reports, the reverse was true during the depression of “the dirty thirties” as they were called. Conditions were every bit as appalling as described by Mr. Wilkinson—conditions aptly termed “poverty amidst plenty”.

“William Aberhart was a school principal in Calgary. He was considered to be an outstanding educationalist and it was natural that he should have been deeply concerned that even the best pupils that graduated from his school could not find employment. One was driven to suicide, and it was about this time that his attention was directed to a book by the English actor-producer, Maurice Colbourne. This was a popular exposition of the Social Credit economic and financial analyses and proposals for reform. This fired Aberhart to investigate the matter further and decide to do something about it.

“He launched a radio campaign, with follow-up public meetings throughout Alberta, to win the support of the people for his interpretation of Maurice Colbourne’s book and other Social Credit literature. Despite the fact that these views were technically unsound, and were repudiated by Douglas's Social Credit Secretariat—despite the concerted attacks he attracted from the governing United Farmers of Alberta party, by both opposition parties and by a hostile press—Aberhart's support grew by leaps and bounds. Within a matter of months he had established a powerful political organisation which in the election which followed gave his so-called Social Credit Party 56 seats in the Legislative Assembly of 63. The governing United Farmers party was wiped out, not electing a single member.

"Neither Aberhart nor any member of his Cabinet had had any previous political experience. They were faced with having to assume the reins of government with an empty treasury, a hostile civil service, an antagonistic press and without any concrete idea of how they would proceed to carry out their mandate. Aberhart rejected Douglas's offer of help, Douglas at the time being economic adviser to the Alberta Government, to which position he had been appointed by the United Farmers Government, in the hope they could stave off defeat.

"Among the several queer ideas which the Aberhart Government, in their ignorance, adopted was a modification of the Silvio Gissell scheme of disappearing money, the value of which could be maintained only by a one percent bi-weekly tax paid by means of a stamp stuck on the reverse of the paper certificate. When all the spaces were filled, the government undertook to redeem what were inappropriately called Prosperity Certificates, with the proceedings from the sale of the stamps. However, while the Government paid for a portion of its obligations with these certificates, it refused to accept them for taxes, or any other payments due to it.

"Naturally this disastrous, in essence, anti-Social Credit experiment was short-lived, a fate which befell most of the amateurish efforts to deal with the money-hungry situation. Dissatisfaction with the Government grew to the point of revolt within the ranks of its members and supporters across the Province, resulting in an appeal for help to Douglas by the Government.

"That is what brought me and my friend George Powell from England to Alberta at the request of Douglas. We found on arrival, that with the promise of effective action, the ranks of the government and discontented support across the Province readily re-united. However, when the initial legislation to bring the credit structure of the Province under effective control of the Alberta Legislature was passed—a preliminary step necessary to the introduction of the requisite Social Credit financial reforms—it was promptly disallowed by the Federal Government in Ottawa acting for the banks. Other like measures shared a similar fate, or were declared illegal in the politically-dominated courts.

"This battle between the Alberta Government, with the overwhelming support of the electorate, on the one side, and the Federal Government and the financial establishments on the other, had a spectacular effect on Premier Aberhart. Once his eyes were opened to the nature of the problem confronting him, he lost no time in acquainting himself with genuine Social Credit. However, matters were brought to an abrupt halt by the outbreak of World War II. Aberhart told his followers that it was the clear duty of all Canadians to unite behind the Federal Government in supporting the war effort—that the battle for Social Credit would have to be suspended until hostilities were over.

THE MANNING ERA

"However, throughout the war, Aberhart made plans for a great campaign across Canada to arouse people to the need for drastic post-war reconstruction efforts based upon Social Credit policy. His untimely death in 1943 brought a drastic change in policy of the Alberta Government. Within five years his successor, Ernest Manning had systematically abandoned any pretence of pursuing Social Credit policy. The climax came in 1948 with a "Douglas purge" in the ranks both of the Government and of the so-called Social Credit League. In its place, the electorate was promised good government on sound orthodox lines. This in fact, they got, for Manning was an able administrator and an astute politician. In the process he became the darling of big business, big finance, and the previously hostile press. With the discovery of vast oil and natural gas fields in Alberta, the Manning Government continued to ride high, having a source of revenue from oil and gas royalties which enabled it to provide Albertans with services that were the envy of other Provinces.

"By the time Manning retired, after 25 years as Premier every vestige of Social Credit, except the name had been eradicated from Alberta politics. He was rewarded with a seat in the Canadian Senate at the hands of the Liberal Prime Minister, and honoured with several big business directorships, including that of one of the leading banks.

"By this time the pseudo-Social Credit Party of Alberta was in deep trouble with the new disillusioned electorate, who inflicted a crushing defeat on it in a subsequent election in favour of an orthodox Conservative party, which has since been returned to office with increasing majorities."

“CURIOUS AND DANGEROUS FINANCIAL MEASURES”

Dealing more specifically with the published financial proposals of the New Zealand Social Credit party, Mr. Byrne writes:

> I write as a Fellow of the Social Credit Secretariat, as an one-time associate and friend of Major C.H. Douglas, author of Social Credit and as a previous adviser to the Canadian Alberta Social Credit Government under Premier William Aberhart.
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> My attention has been drawn to the misleading propaganda which is being fed to the people of New Zealand by a political party which has taken to itself the name “Social Credit” without a shred of evidence that it has any right to do so. If that political party’s real purpose was to discredit the body of knowledge known as Social Credit, as enunciated by C.H. Douglas, they could not have gone about it more effectively. It is all too evident from the various newspaper articles outlining their intentions and from their own publications, that not only are the so-called Social Credit party’s leaders ignorant of the nature of Social Credit, let alone the technical knowledge to implement it, but they are hopelessly deficient in their knowledge of economics and finance.

DOUGLAS OPPOSED PARTY POLITICS

Over the years there has been no greater obstacle to the progress of genuine Social Credit than the so-called Social Credit political parties with which we have been cursed in Canada and which, in a particularly insidious form, has been surfacing in New Zealand.

Let me state emphatically and categorically that party politics and Social Credit are completely incompatible. This is what Douglas had to say on the subject:

> “...I may say that I regard the election of a Social Credit party...as one of greatest catastrophes that could happen...to elect a Social Credit party in this country would be to elect a set of amateurs to direct a set of very competent professionals. The professionals, I may tell you, would see that the amateurs got the blame for everything that was done”.

The fact that the New Zealand Social Credit Political League and the party they sponsor flout Douglas by embarking on party politics is consistent with their complete disregard for his enunciation of Social Credit, which alone is authoritative, and their distortion of his works. By no stretch of the imagination can the curious and dangerous financial measures being advanced by the New Zealand pseudo-Social Credit political party be related to the economic and financial proposals of genuine Social Credit.

The core of these proposals is the mathematically precise analysis of the existing financial system which Douglas provided in his several major works and in the evidence he gave before various government bodies. This examination of the monetary system common to the nations of what are humorously referred to as “the free world”, demonstrates beyond all doubt that there is a fundamental fault in its operation. This results in a chronic and progressive shortage of purchasing power, i.e., money available to purchase, in relation to the prices of goods coming on to the retail market.

BASIC CAUSE OF DEFICIENCY

The basic cause of this is not the interest charged by banks and other financial corporations, but that in any period of time the population is charged for the cost of its entire production, whereas the true cost of production in such period is that of the goods consumed in that period. The public pays once for its capital goods production—factories, machinery, equipment, etc.,—by investments derived directly or indirectly from savings. However, they are required to pay a second time for such capital goods through depreciation charges added to the other production costs of consumer goods. As the public does not possess the purchasing power to meet such costs, the goods can be distributed only by continually increasing its debt burden—which in turn aggravates the impasse. This results not only in pyramiding debt, but in turn results in progressive inflation of prices, increasing taxation and accelerating centralisation of economic power in a financial oligarchy.

The Social Credit proposals for financial reform stem directly from this analysis. They provide for the issue of money, as purchasing power, direct to consumers to make good the deficit which exists at present. It is the policy of Social Credit to confer upon the individual maximum freedom by transferring to him both effective economic and political power. The transfer of economic power would be achieved by making good the deficiency of purchasing power distributed through wages, salaries, profits, i.e., earned income, in three ways: (1) By providing every person with an independent income in addition to earned income if any. This would represent a dividend on his or her share in the common cultural heritage of potential abundance made possible by the inventions of past generations, (2) By reducing retail prices, according to a precise formula, to bring them into balance with available purchasing power, (3) By the progressive reduction of taxation.

It should be noted that the policy involved is the transfer of economic power from the centralised financial monopoly to the individual. It would also result in, in the process, the elimination of the inflation of prices, the stabilisation of property values and the progressive increase of the real value of money and, by means of genuine political democracy, to bring government under the effective control of the electorate.

(Within the scope of a short article it is not possible, of course, to do more than provide a broad outline of the Social Credit financial measures. There is a library of books on the subject for those interested in its technical details.)

When we examine the half-baked financial proposals being put forward by the New Zealand pseudo-Social Credit political party it is all too plain that they bear as much relation to genuine Social Credit as devil worship bears to Christianity.

Instead of decentralising financial power, it is proposed to vest absolute control of the monetary system, and thereby the economic life of New Zealand, in the Reserve Bank, the agency responsible at the present time for New Zealand's disastrous monetary policy. No doubt the party "experts" will protest that the Reserve Bank will be answerable to the Government—the usual socialist myth. In theory the central banks of Britain, the United States, Canada and other Western countries are answerable to their respective governments, but in practice those governments are subservient to their central banks.

To underline Douglas's reference to amateurs dictating to professionals, an excellent example is provided by Mr. Beetham's "New Zealand Credit and Currency" bill. This states that equation shall be the monetary policy—whatever that means (Section 11). Further, that this shall be achieved and maintained by the Reserve Board in accordance with the formula: Money Supply multiplied by the Velocity of Circulation equals Incomes equals Value of Current Output of Goods and Services.

A MAJOR FALLACY

This, of course, apart from being unadulterated nonsense, is a flagrant repudiation of Social Credit finance as expounded by Douglas. It ignores the fact that while all purchasing power is money, not all money is purchasing power—all forms of savings being immobilised purchasing power which is not available for purchasing goods. Further, it supports the orthodox concept that velocity of circulation of money increases purchasing power—shown by Douglas to be a fallacy. Finally, it repudiates the Douglas analysis of the present money system showing that it generates a progressive shortage of purchasing power—and that the incomes distributed in the process of their production are totally inadequate to buy the goods on the retail market.

In short this so-called Social Credit party in New Zealand is a dangerous sham, for it is pursuing a non- Social Credit policy, and it is promoting anti-Social Credit measures, which, if implemented can only bring economic disaster to New Zealand and discredit to genuine Social Credit.

CANADIAN FACTS

The New Zealand pseudo-Social Credit party's claim that the Canadian so-called Social Credit political party in British Columbia provides a shining example of Social Credit rule is indeed a great big laugh. These are the facts:

1. It is questionable whether a single member of that government has any knowledge of genuine Social Credit—and certainly not the Premier or his cabinet.

2. The policy of this British Columbia government has consistently supported big finance and big business—for none of its spokesmen has ever uttered a word of criticism of the present financial system.

3. It has continued the anti-Social Credit policies of the preceeding socialist government with compulsory government car insurance and every form of taxation—income tax, sales tax, outrageous liquor and tobacco taxes (because they are morally good) etc., etc.

4. It has done nothing to expose the inflation racket, the debt racket, the usury racket, the real estate racket and so forth.

In short, the sham Social Credit government of British Columbia is like every other Canadian Provincial government and the Federal government in Canada—all of whom are the all too willing supporters and pawns of the existing financial system and of the hegemony that controls and operates it.

In the Canadian province of Alberta, when the "Social Credit" government there, after Aberhart's death, progressively abandoned all pretence of supporting Social Credit policy, relying on its revenue from the booming oil industry with which to buy its popularity, its electoral support also progressively diminished. Finally the electorate voted them out of office in favour of an orthodox conservative government, which has been returned with increased majorities. The sham Social Credit political party has been practically wiped out.

The pseudo-Social Credit parties in other provinces have likewise been rejected by the electorate—as they deserved to be—and have for all practical purposes ceased to exist. The experience in Canada certainly provides proof of the soundness of Douglas's condemnation of so-called Social Credit political parties.

NON-PARTY ACTION ESSENTIAL

If the people of New Zealand desire to be emancipated from the shackles of progressive inflation, mounting debt, harsh taxation, threatening economic collapse and political chaos, they should reject the overtures of pseudo-Social Credit political party-ism in favour of organising themselves as non-party electoral action groups to bring irresistible pressure on their elected representatives to gain the results they want. In this the New Zealand League of Rights will provide them with both information and guidance.

That, I am convinced, is the only sure road to advance towards the new civilisation to which Social Credit—genuine Social Credit—Douglas Social Credit, provides the key.

TOWARDS AN IMPROVED STANCE?

Since Mr. Byrne wrote his devastating criticism of the Social Credit party's financial proposals, Mr. Bruce Beetham has indicated that perhaps his understanding of finance-economics has improved. If the report in "The New Zealand Herald" of March 28, 1981, is correct, Mr. Beetham now endorses the validity of Douglas's A + B theorem, which is a formal proof of the deficiency of purchasing power. Douglas has also presented a mathematical proof. But any person of ordinary common sense, prepared to consider the observable facts, can readily grasp the truth that events confirm the deficiency of purchasing power. The most striking confirmation of this deficiency is the astronomical growth of debt, both private and public. Without this expansion of debt, the economy would collapse into complete chaos.

With the expansion of debt, high taxation and inflation follow as the night follows the day. Domestically, the centralisation of the economy grows as the bigger organisations absorb the smaller. Internationally, the "fight" to obtain greater foreign markets makes exporting on credit, even if to the Communists, appear desirable. This provides a situation where a global programme for "rationalisation", with the amalgamation of nations via Common Markets, can be advanced under the slogan of a "New International Economic Order".

"The New Zealand Herald" records Mr. Beetham as saying, in answer to a question from Prime Minister Muldoon, that the Social Credit League "accepts the validity of the scientific factual methods of analysis which Douglas used. . . The A + B theorem was designed to demonstrate that there is a gap between total incomes and the value of current production." We take it that Mr. Beetham means there is a gap between total incomes and total *prices* during any period of production. He is, of course, correct that the deficiency of purchasing power can be proved in a number of different ways. There is such a thing as inductive proof. There is also such a thing as deductive proof. When both agree there is absolute proof. It has been said that events appeared to be in the pay of Douglas. But it was Douglas's analysis of the major defect in the finance-economic system, and his understanding of the will-to-power philosophy which enabled him to predict what must happen under orthodox methods of credit creation and control.

Assuming that Mr. Beetham does accept the validity of the A + B theorem, and is not attempting merely to placate some of the older and better informed supporters of Douglas, who still cling to the vague hope that something can be achieved through party politics, this is to his credit—providing he then takes the next step of advocating, *as a POLICY*, that as the real credit of a nation is its productive capacity, and that as every New Zealander is a shareholder by right, he should also be the owner of financial credit, this issued in such a way that the individual has effective control of it.

In a fund-raising address given in Tauranga, and reported extensively in the "Bay of Plenty Times" of March 31, Mr. Beetham mentioned how the present centralised methods of issuing credit favoured monopoly in all fields. Douglas spelt this development out in his 1934 Melbourne address "The Monopolistic Idea". The political realist may claim that Mr. Beetham's strong defense of small and medium-sized business organisations, currently collapsing in large numbers, is merely sound party political strategy. But Mr. Beetham is also reported as saying that the Social Credit party's philosophy "emphasised individual initiative, the individual ownership of producing assets and the spreading of the ownership of these assets over as many individual New Zealanders as possible".

Perhaps Mr. Beetham's most courageous statement was that he feared that New Zealanders were being prevented from developing their own enormous energy resources "because of the tie-up between the government, multinational interests and foreign investors." If Mr. Beetham is genuine, that kind of statement must incur the wrath of powerful international forces.

Assuming that Mr. Beetham and his colleagues are as sincere as many aspiring politicians are, they have as yet, unfortunately, not indicated that they understand the nature of the battle concerning power. Mr. L.D. Byrne has explained what happened in Alberta. Even after William Aberhart had recruited a vast army for battle, it soon became clear that he did not understand how to conduct that battle. He was the amateur against the professionals. It was only after the electors had been united to press for specific results that were obviously physically possible, and Mr. Aberhart and his colleagues agreed to confine themselves to representing that policy, placing the onus on the competent experts to define appropriate ways and means to get those results, that any real battle started.

The greatest service which Mr. Beetham and his colleagues could give New Zealanders at this time, is to announce that the real credit of New Zealand is sufficient to provide every single New Zealander with security and independence, and that they will be seeking to represent a financial policy designed to achieve this. They could stress that inflation is one of the most insidious policies destroying New Zealand, and that inflation can be abolished with benefit to all, pointing out that the consumer price discount introduced in every English-speaking country during the Second World War, proved that credits can be used to lower prices constructively instead of inflating them.

The most effective answer to unemployment is not a shorter working week, *but a shorter working life.* The retiring age should be reduced, and the older members of the work-force encouraged to retire with an adequate pension, financed out of the nation's vast credit. This would enable the young to enter the work-force, and experience the benefits of discipline and constructive effort. Juvenile crime and other growing social problems would start to recede.

Mr Beetham and his colleagues might give an unequivical assurance that they will oppose all policies designed to erode the sovereignty of New Zealand; that New Zealand's interests should always be put first. Instead of trying to out-match other parties with detailed promises and party programmes, and putting forward financial schemes which at best can only reflect the ignorance of financial technique by those putting them forward, Mr Beetham and his colleagues could be stressing that they see their role as trying to encourage electors to unite on clearly defined policies, which they are prepared to strive to represent. The growing protest vote in New Zealand could be harnessed for a constructive effort if only enough candidates for political office, irrespective of their labels, could provide that type of leadership recommended two thousand years ago — he who would be the greatest among you must be the servants of them all.

A genuine Social Crediter would have no difficulty in understanding what has been said. But are Mr Beetham and his colleagues prepared to become genuine Social Crediters ? Only coming developments will answer this question.

