"All that is necessary for the triumph of evil is that good men do nothing . . ." — EDMUND BURKE.

THE AUSTRALIAN LEAGUE OF RIGHTS

THE NEW TIMES SURVEY

Vol. 26 No. 12 December 2025

IN THIS ISSUE

Douglas Social Credit: Restoring Honesty and Functionality to the Financial System – American Monetary Institute
By M. Oliver Heydorn

(text of a presentation given at the AMI conference Sept 28th, 2025)

Introduction

Thank you very much! I'm looking forward to introducing the Douglas Social Credit model for monetary reform to this AMI audience. Let's start with a shared truth: both Douglas Social Crediters and AMI members agree that our economies are deeply flawed, and that it is the financial system which bears much of the blame. Whether it's rising debt, economic instability, or unmet needs despite abundant resources, the economy isn't serving the average person as well as it ought. This is why monetary reform is urgently needed.

But what should reform look like? Different diagnoses lead, quite naturally, to different solutions. Today, I'll walk you through the Douglas Social Credit model—its explanation for what's broken, its prognosis regarding the existing system, and its practical solutions — by going through a series of questions. We'll also briefly compare these ideas to the AMI & AFJM proposals, such as those laid out in the NEED and AMRA Acts.

First, an important clarification: Douglas Social Credit, which is based on the ideas of the British engineer Major C.H. Douglas (1879–1952), has nothing to do whatsoever with the Chinese-style "social credit" surveillance system. The two are, in fact, opposites. The CCP system uses state control to monitor, judge, and then reward or punish the behaviour of individual citizens. By contrast, Douglas Social Credit (DSC for short) seeks to empower individuals, giving ordinary people—through a reformed financial system—the ability to hold governments, businesses, and institutions to account. DSC is all about freedom, not control, and was a significant worldwide movement, especially during the 1920's, 30's & 40's. There was even a Social Credit inspired bill introduced to the American Congress in 1934 called the Goldsborough Bill. It passed the house 289 to 60 but was defeated in the senate.

1. What is monetary reform, and why does it matter?

When we talk about monetary reform, we are talking about changing some aspect of the current financial system, or even about replacing the existing system with an entirely new system.

I want to make it clear right from the outset that, from a DSC point of view, the financial system is broader than just the banking system. It encompasses the banking system, but it also includes the price system and the taxation system. The banking system deals mainly with the creation and destruction of money (mostly in the form of bank credit); the price system with the generation of costs and prices in the process of production and their liquidation upon consumption; and the taxation system, with government expenditure and its recovery through taxes.

Just a few moments ago I noted that both Social Crediters and AMI members agree that the reigning financial system is deeply flawed. But in what ways is it broken? From a DSC standpoint, there are two fundamental problems.

There is, in the first place, what might be termed **the equity problem.** Many people, when they think of monetary reform, are concerned with questions of justice: who benefits from money creation? Are some people benefitting disproportionately and at the illegitimate expense of others? Is the pattern of distribution re: benefits and harms associated with money creation truly 'just' — whatever your standard of justice might happen to be? Is there broad-spectrum access and inclusion where the benefits are concerned? **In other words, whatever the financial system does, does it do it fairly? Is it a just system?**

The second problem is more technical and pragmatic in nature and I will refer to as the functionality problem: how well does the financial system fulfill its true purpose? Does it achieve what it is supposed to achieve in an effective, efficient, and reasonable manner?[1] Does it deliver the practical results that we might rightfully expect from it? Since it is a core part of our basic societal infrastructure, is it working in a highly satisfactory manner in terms of performance, stability, resilience? **In other words, does the financial system do what it is supposed to do well? Does it work well?**

Now, I don't want to place these two problems in hermetically sealed containers because they are intimately related. There are technical/practical aspects to the equity problem and there are justice-related aspects to the functionality problem. Nevertheless, they remain quite distinct.
DSC does not downplay the gravity of the equity problem, but it nevertheless regards the functionality problem as the more fundamental issue. Why?

Because solving the equity problem according to some abstract standard of justice (such as strict equality, or "from each according to his ability to each according to his need", or a strict meritocracy, etc.) will not necessarily address the functionality issue and it could even make things worse. What good is it to have what is deemed to be "justice", a just distribution of the harms and benefits associated with money creation, if your financial system doesn't work very well and everyone is living in poverty as a result? Justice is not a sufficient condition for functionality.

By contrast, if the functionality problem is solved appropriately, the equity problem will tend to resolve itself as a by-product. Why? Because a system that works well, that is stable, resilient, and offers satisfactory results to its end users, must embody some kind and measure of justice by its very nature.

The fact that functionality IS a sufficient condition for a viable form of equity (while the reverse is not true) helps to explain why DSC prioritizes the question of functionality.

Because DSC is centred on this question of functionality, it also recognizes that monetary reform must reach beyond banking. According to the DSC diagnosis, the price system and the taxation system are also malfunctioning. Social Credit therefore proposes that changes be made to all three components of the financial system.

2. What is the purpose of the financial system, and why does it fail to fulfill that purpose well?

When we claim that the reigning financial system "does not do what it is supposed to do well," two questions arise immediately:

1. What is the purpose of the financial system?
2. Why does it fail to fulfill that purpose well?

According to DSC, the true purpose of the financial system is to **mobilize and regulate economic energy** in such a way that the economy's useful productive capacity—what Douglas called the *real credit* of a society—can be fully actualized and distributed to consumers.

In other words, the true purpose of the financial system is to serve as a dutiful handmaid to the real economy. Finance is not an end in itself, but rather a **means to an end**. But: *what then is the purpose of the real economy?*

Douglas is unequivocal: the real economy exists for one purpose and one purpose only: **to deliver the goods and services which people need in order to survive and flourish**, and to achieve this with the **least amount of labour and resource consumption**.

The economy does not exist for the purpose of creating jobs, multiplying figures in bank accounts (whether of profits or of wages), or to impose a moral discipline on the population. These things could be a means, a super-abundant by-product, or an incentive, but they are not the purpose. It's not why the economy exists in the first place.

This brings us to the second question: **why does the financial system fail to fulfill its purpose?**

The easiest way to answer this is to say that the financial system fails because it is *improperly designed*. If it's purpose is to facilitate the full actualization of the economy's potential in view of the real demand)and with the least amount of trouble to everyone), it is not fit-for-purpose.

However, if the *de facto* purpose of the system deviates from this, its true purpose, and aims instead to centralize wealth, power, and privilege in the hands of a few, the owners of the system, then we might say that the existing financial system is eminently fit-for-purpose … that brings us back to the equity problem, but more on that later.

Proper design requires that the financial system should be **an honest system**—that is, it should be a system that paints, in the abstract world of numbers, an **accurate picture of the concrete facts** of the real economy.

A helpful image here is to think of the financial system as a special kind of **projector**, one that casts a representation of the real economy onto a numerical screen, but a screen that also serves as an interface. You see, the financial system is not just representational, it is also operational. We depend on the financial image in order to interact with the real economy.

When that projected image corresponds faithfully to reality—accurately reflecting our collective capacity to produce and consume—the economy can function smoothly. Goods and services can be produced in the required qualities and quantities and effectively distributed to all who need or desire them while liquidating all the costs of production.

However, when that projected image fails to accurately reflect the physical economic facts, when it artificially limits our producer and consumer capacities and then misdirects/distorts our economic activity in consequence, the economy struggles to deliver the desired outcomes.

In sum, the reigning financial system fails *because* it is structurally and functionally dishonest. And this failure has a strong negative impact on the real economy.

3. How does the current financial system fail to fulfill its purpose?

We've looked at why the financial system fails to fulfill its purpose, now let's look at the mechanics, or the how. The system is dishonest in its very design, but in what exactly does this dishonesty consist?

The structural dishonesty or *misrepresentation* can take one of two basic forms:

1. Insufficient Producer Credit: On the one hand, the financial system fails to provide enough **producer credit** to fully or adequately represent the useful productive capacity, i.e., there is an artificial scarcity of money in view of the economy's productive potential; and
2. Insufficient Consumer Income: On the other hand, the financial system fails to provide enough **consumer income** to represent, at remunerative prices, the value of what is being produced, i.e., there is an underlying artificial scarcity of money in the form of consumer buying power in view of the flow of real wealth.

As a result, production and consumption are both artificially hampered.

On the level of production, there are innumerable cases where there is, on the one hand, some legitimate need (for food, shelter, healthcare, infrastructure, etc.) and, on the other, the natural resources, labour, technology, and know-how to produce the good or service that would meet that need — and yet production does not occur. Why? Because the present financial system can't or won't create the money needed to catalyze production, and so many legitimate needs go unmet. In this case, the financial system does not accurately reflect the useful productive capacity.

A simple example can illustrate the problem. Suppose an economy needs to produce $200 billion of goods and services each year to meet basic needs. However, under the current financial system, perhaps only $150 billion in producer credit is issued, and so only 150 billions is actually produced. The population goes without the additional $50 billion of goods and services that could easily have been provided. In this case, the financial system has failed to represent the real capacity of the economy in the form of sufficient producer credit, and its productive function has been significantly hampered.

On the level of consumption, Douglas claimed that the price system registers the build-up of costs and hence prices at a faster rate than it distributes incomes with which those costs can be met. Money is spent by businesses on raw material, labour, real capital (machines and equipment), etc., and costs are incurred. But only some of these payments are transformed into consumer income in the form of wages, salaries, and dividends. As a result, the flow of costs and prices is not in automatic balance with the flow of incomes.

For example, let's imagine – and this is a contrived example – that the economy produces 100 muffins that need to be sold for 1 penny each in order to recover all costs and return a profit. Because of the way the system is structured, perhaps only 60 pennies are *automatically* distributed to workers in the form of income. With that income, the public can only buy 60 muffins. Unless additional income is found, 40 muffins go unsold, bakers cannot recover costs, and businesses risk collapse. What has been produced in physical terms cannot be paid for in financial terms because the system has failed to represent with sufficient income the value of what has been produced — this is dishonest accounting that systematically hampers the consumptive function of the economy. So money, in the form of credit, is being created and destroyed all the time and is it is being created and destroyed, costs and prices are being generated faster than incomes are being distributed. We call this “the gap”.

Now, I want to spend a bit of time examining the causes of the recurring price–income gap and I want to make it clear that usury (which I would define as rent-taking in banking or monopoly profiteering) is not, according to Douglas, the main cause of the gap. The truth of the debt-virus hypothesis, according to which people have to borrow more money to pay for the principle plus interest of past debts because banks don’t create the interest, is grossly exaggerated. Banks also spend money into the economy with which a good portion of those interest payments can be made. Profit-making, savings, the re-investment of savings, taxation, and deflationary bank policies can all play a role, but the primary cause lies in how the existing financial system registers **technological labour displacement** — the replacement of human work in production by machines and tools (real capital).

From 1800 to the present, the balance of productive effort has shifted dramatically. In 1800, around 45% of work was done by humans, 45% by animals, and 10% by machines. By 1900, machines supplied half of all work. By 1950, they supplied 80–90%. Today, machines provide 95–99%, while human and animal contributions are negligible. The dominance of mechanized labour in our current production system is overwhelming.

The financial system, designed in a pre-industrial era, struggles with modern capital dynamics. Under current cost accounting conventions, not all production costs become consumer income. Labor costs (A), like wages, are distributed as consumer income, but capital costs (B)—such as equipment replacement, maintenance, or loan repayments—must be recovered in prices without fully circulating as income in the same period of time or at all. Businesses set aside funds for depreciation and to repay loans, yet the income distributed *via* capital production falls short of covering those costs. To remain viable, businesses charge A+B in prices, but only A is fully distributed as income. This mismatch creates a structural purchasing power gap, as A alone cannot buy A+B.

In other words, the system records various financial costs, but it does not ensure that there is enough consumer income automatically issued to meet the resulting prices. This built-in imbalance means that reforming banking is not enough. The most significant problem with our financial system lies in the price system.

To avoid confusion, the gap in question is an underlying gap, not always a visible or *de facto* one. The system employs many compensatory methods — business expansion, government spending, consumer debt, exports — to fill it. But these measures only mask the imbalance, and when they fail, the gap resurfaces.

There is a 2nd problem that arises from the financial and economic misreading of technological labour displacement: the phenomenon of technological unemployment.

As machines replace human labour, fewer work-hours are needed to supply all necessary goods and services. This results in some people being thrown out of work: technological unemployment. This should register as a gain. Why? Because it means society can produce everything we require with less and less effort, freeing people up for leisure, culture, and innovation.

But under the current system, these gains are not realized. Technological unemployment is actually converted into a liability and I'll explain how:

- For the current **financial system**, labouring under the price-income gap, unemployed workers appear as unused "resources" who can be reabsorbed into production in order to sustain the increased growth and debt that are necessary to fill the price-income gap.

- For the **economic system**, unemployed workers are people without incomes. And because income is tied, for the most part, to employment under the prevailing policy of full employment, jobs must be created for them — whether or not those jobs are actually needed or useful.

This produces a kind of **double bind**:

1. If these technologically displaced workers remain unemployed, they will lack incomes, the gap will widen, and consumption will falter.
2. If full employment is enforced as part of a gap-filling exercise in order to prevent economic stalling, many useless, witless, redundant and perhaps even destructive jobs must be invented simply to provide incomes.

Either way, the gains of mechanization are lost. Instead of reducing the need for work, technological advances intensify the demand for work under the current financial and economic systems.

And the problem grows worse with time. The more machines displace labour, the smaller labour costs become relative to capital costs, and the larger the price–income gap becomes.

Douglas' central insight is that this is not incidental but structural. A gap-creating financial system wedded to a full employment economic system cannot coexist harmoniously with increasing technological efficiency. The result is a civilization trapped in a **catch-22: we can have scarcity amidst abundance (or potential abundance),** or we can have a situation in which the more efficient our labour becomes with the help of machines, the more absurdly we must be compelled to labour (thus undoing the whole purpose for introducing machines into production in the first place).

4. What are the financial, economic, and social consequences of this dishonesty?

As we have seen, the current financial system does attempt to balance the price system out, but it does so, in the main, by constantly increasing government, business, and consumer debt. In other words, some sector of the economy is expected to borrow additional money into existence in order to balance the flow of consumer incomes with the flow of consumer prices, otherwise we have a recession or worse. But this solution is also a violation of the principle that the financial system, in the image it projects of reality, should accurately reflect reality.

Why? Because whatever has been produced has already been paid for in physical terms. Otherwise it would not exist. That is to say that the community has already turned over the raw materials, the labour, the use of the real capital, etc., all that was necessary to bring the goods and services into being. If the financial system accurately reflected reality, if it were an honest system, then it would enable us to consume what we have produced by automatically giving us sufficient income to distribute all goods and services and to liquidate once and for all the costs of production. Instead, the system can only fill the gap by putting us further into debt, individually and collectively. We are given more buying power, with which the surplus goods and services can be purchased and costs covered, but only at the cost of mortgaging our future incomes in order to service mounting government, business, and consumer debts.

Now, this way of dealing with the gap, because it doesn't reflect the reality, provokes and/or intensifies a vast number of further problems. We are basically dependent on forever increasing society's aggregate debt in order to achieve a balance, some kind of equilibrium in the price system, but it is an equilibrium that is a) exogenous, b) non-liquidating (because it incurs additional costs, i.e., debt, in order to meet existing costs), and c) increasingly unstable.

The resulting problems are so varied and so deep that I cannot do them full justice here. Instead, I want to focus on one problem that is particularly relevant to the present framing of the monetary reform issue, and then I will offer a short-list of the various symptoms of dysfunction that are heavily implicated in the insane proposition that we can borrow ourselves out of debt.

The first matter that I want to discuss is related to the equity issue that I referenced at the very beginning of the talk: who benefits the most from the creation of the money supply and under what terms? And I want to point out that most of the usury, most of the economic rent-taking in banking is due to the long-term debt on which compound interest is charged that is used to fill the recurring price-income gap. If there were no gap, if we did not need to fill it with additional long-term debts, banking would not be nearly as profitable as it is. Filling the gap with debt is a windfall situation for the banks. It transfers wealth, power (i.e., control over policy) and privilege from the bottom 90% of society to the top 10%, centralizing these in the hands of a few, the owners of the system.

Beyond that, relying on debt to fill the gap is intimately and heavily implicated in the following symptoms of financial, economic, and social dysfunction:

1) the boom and bust cycle,
2) constant inflation (mostly cost-push, but also demand-pull),
3) the misdirection of economic resources, economic inefficiency, waste and sabotage alongside forced economic growth and built-in obsolescence,
4) an ever-increasing mountain of societal debt that is, in the aggregate, unrepayable,
5) recurring financial crises,
6) heavy and often increasing taxation,
7) wage and debt-slavery,
8) forced migration and cultural dislocation,
9) unnecessary stresses and strains,
10) social conflict,
11) environmental degradation,
12) international economic conflict leading to war, etc., etc.

The debt-money system in conjunction with the underlying and recurring price-income gap becomes a corrosive, entropy-producing force that threatens the long-term survival of this civilization.

5. So What Needs to Be Done to Fix the Financial System so that it will Function Well?

The whole purpose of the Douglas Social Credit proposals is to redesign the financial system so that it accurately reflects reality. If finance is structurally dishonest, then the solution must be to **make it honest**. I won't say "Make Finance Honest Again," because I have no intention of being partisan — and beyond that it's not even clear whether finance has ever been fully honest in modern times. But if we can make finance honest, we can restore its full functionality.

So how do we make finance honest on Douglas' view? There are three main ingredients for this "recipe".

1) Credit as a Utility: Privately & Publicly Administered, Publicly Regulated

The key issue is one of **policy**. Does the financial system serve the common interest, as societal infrastructure should, or the interests of an oligarchy? The former is a democratic policy, the latter a despotic one.

From a Social Credit perspective, the central issue is not simply *who* creates money, or *who* directly benefits, but whether the financial system as a whole serves a democratic policy. A government monopoly on money creation, for instance, could still serve oligarchic interests if the state has been captured by those interests. Likewise, private competition could, in some cases, better serve the public interest than a public monopoly.

Douglas therefore proposed a **hybrid system**. A National Credit Office (NCO) would oversee monetary policy in the common interest. It would maintain a National Balance Sheet to underwrite the creation of credit for production in line with the useful productive capacity, and a National Profit and Loss Account to justify the creation of additional, debt-free credit to fill the recurring price-income gap in favour of consumers.

Private banks would continue to assess business viability and create credit for production, as they do now, but they would be under stricter regulation by the NCO. Douglas believed that sufficient private competition disciplines the allocation of productive credit and decentralizes decision-making, preventing waste and ensuring greater freedom. But the NCO, by issuing debt-free consumer credits, would **break the monopoly** private banks currently hold over money creation. This hybrid of debt-money and debt-free credit would transform the system from one that indebts society ever more deeply to one that balances production debts with cost-liquidating income, reflecting reality in service to the common citizen. In other words, DSC would ensure that all excess of surplus production debts can be met with a sufficient flow of real income, a kind of perpetual and dynamic debt jubilee.

2) The National Dividend

The NCO would issue a **National Dividend**, a periodic payment to every citizen regardless of employment status. Pragmatically, this is required to supply the additional consumer credit needed for the economy to function, especially as technological labour displacement reduces incomes and people are thrown out of work. Ethically, it is justified because the main cause of the gap lies in **real capital** — the inventions, discoveries, and cultural heritage built up by past generations.

This heritage belongs to all, not a privileged few.

3) The National Discount

Alongside the dividend, Douglas proposed a **National Discount**, or compensated price mechanism: a general reduction of retail prices, funded by the NCO. Retailers would be reimbursed for the difference. The discount would be determined by the production-consumption ratio.

The aim is to strip out purely financial costs from prices and align prices with the **real costs of production** — i.e., the actual consumption of resources and depreciation of real capital used in making goods. Under current accounting, we pay twice for real capital, once for its production and again for its replacement. The compensated price would correct this, ensuring consumers pay only for what is actually consumed in production, not artificial financial charges.

Summary: Whatever is physically possible and desirable should be financially possible. All that is required is to alter the financial system so that it accurately represents the physical facts and potential of the real economy. Douglas Social Credit, by making creative use of the technical flaw in the price system, would transform society into a gigantic profit-sharing co-operative and would do this without *directly* touching or interfering with private or corporate profits at all. All of the problems I had mentioned earlier, the long list of symptoms, including, most especially the equity issue (the centralization of wealth, privilege and power), would be resolved by the DSC remedial measures as a by-product.

6. A Few Clarifying Questions

1) Isn't This Just Universal Basic Income?

No. A conventional UBI typically redistributes income *via* taxes and/or proposes to pay for the disbursement *via* an increase in public debt. Social Credit proposes **creating new credit**, debt-free, in line with real production in order to balance the flow of income with the flow of prices.

2) Wouldn't This Be Inflationary?

No — because the new money is tied directly to production already completed and in reference to an existing gap. The Compensated Price also directly offsets inflation by reducing prices while maintaining producer margins. Beyond that, the dividend and the discount are to be issued in lieu of all the existing debt-based palliatives for dealing with the gap. In other words, excessive government borrowing and business borrowing for excessive or redundant public production and programmes or capital production, production for export, as well as consumer borrowing involving the creation of new credit, would have to cease. They would no longer be needed.

3) Would People Stop Working?

The National Dividend mechanism has a feedback loop that could serve as a regulatory mechanism. If too many people stopped working, production would diminish. If production diminishes, the aggregate gap gets smaller and the dividends decrease, making it harder to live off of the dividend alone and thus indicating the need for increased employment to deliver the goods and services that people want.

4) Is This Socialism?

If socialism means government or state ownership of the means of production, a command economy, a welfare state with a large bureaucracy and heavy taxation, the answer is no. Douglas Social Credit preserves **private property**, **free enterprise**, and **individual choice**. It simply ensures that the financial system accurately reflects reality for the benefit of everyone. Thus, it is not a species of *laissez-faire* capitalism or neo-liberalism either.

5) How would Public Production be Handled?

Insofar as there is real demand for public production, which is production that cannot be provided adequately by the market, the government could borrow at the costs of administration sufficient producer credit from the National Credit Office on the basis of the National Balance Sheet in order to finance that production. Tax revenue could then be collected to pay off these public debts. There are other ways this could be done.

7. How does DSC differ from AMI's proposals, like the NEED Act?

I now want to bring the DSC model to bear on the AMI/AIFJ model, as laid out in the Need Act and AMRA. As I understand this model, the fundamental premise is that the root flaw in the current financial system lies in the **private control over money creation**. This is regarded as inherently illegitimate and exploitative. The proposed remedy is to centralize the power of money creation free of debt in the hands of the state and for the government of the day to spend this money into the economy by focusing on infrastructure investment and social programmes. The private banking sector is significantly curtailed in its operations and the locus of financial agency is moderately shifted from markets in favour of the government and its policy-priorities.

This approach is perhaps best categorized as a ***dirigiste* or technocratic public**

money model, wherein **social equity and macroeconomic stability** are pursued through **top-down intervention** and a certain degree of centralized planning. It contains a number of interesting ideas and assuming it could be run by honest and competent experts and statesman, it would likely be an improvement over the status quo.

So, the DSC model and the AMI inspired models both agree that there are substantial equity and functionality problems where the current financial system is concerned and that the creation and issuance of some kind and measure of debt-free money is essential for resolving these difficulties. Those are the major points of agreement.

The DSC model differs, however, in the following ways:

1. **FOCUS** Unlike some readings or interpretations of the AMI model which seem to prioritize the equity problem and see functionality as dependent on the restoration of institutional justice in the banking system, the DSC model is focused first on the functionality problem, seeing equity in banking as something that will be largely addressed as a by-product of solving the functionality issue.

2. **DIAGNOSIS** As far as that functionality problem is concerned, the DSC model is centred on the problems posed by the recurring price-income gap and technological unemployment, whereas the AMI model does not appear to explicitly or overtly recognize the gap or tech unemployment.

3. **MONEY CREATION** To fill the gap in a way that properly balances the price system, DSC would have a National Credit Office measure the gap and create sufficient debt-free credit to fill it in lieu of additional debt. Private banks would continue, however, to create credit for productive purposes (not for purely speculative or extractive activities). The AMI model, by contrast, would replace all debt-money with debt-free state money.

4. **EMPLOYMENT** To deal with tech unemployment, DSC would distribute a debt-free National Dividend to each citizen and also lower prices *via* the debt-free National Discount. DSC would replace the current policy of full employment with a policy of the minimum employment necessary.
The AMI model, as far as I can tell, is committed to full employment.

5. **ADMINISTRATION** The DSC model could be described as a double hybrid model: it combines both debt-money in the form of producer credit for production and debt-free credit to balance incomes with producer debts, thereby resolving debt-claims with sufficient income in every economic cycle.

It also has a role both for the state and for private banks were money creation and issuances are concerned. The National Credit Office would be responsible for the debt-free inputs and for regulating the private banks properly, while the private banks would compete with each other where the allocation of producer credit to businesses are concerned. The AMI model seems to move more closely in the direction of a purer/ more monopolistic model where the state creates all money and the banks can lend for private production by obtaining enough money from various sources for that purpose.

6. **POLICY** The DSC model, while relying on a certain degree of centralized administration, seeks to enfranchise the individual directly with buying power and choice. It's a bottom-up model, if you like. The AMI model, by contrast, appears to involve a greater degree of centralized administration plus a substantial centralization of control over the initial issuance or allocation of money, with the intent that government spending on its policy-objectives would trickle down for the benefit of the individual.

7. **PHILOSOPHY** Finally, and this will help to explain some of the aforementioned differences that have been highlighted, the DSC model is based on a social philosophy that the individual is more important than the group and that the group and group activity exist not for abstract collective objectives, but for the concrete benefit of the common individual first. This implies the decentralization of the power of money in favour of the common individual to the extent that this is compatible with a well-functional financial and economy system.

I invite AMI members to explore further how DSC's focus on functionality can complement your equity-driven reforms, fostering a richer conversation so that there can be a brighter future for everyone. Thank you. ***

Annual Subscription to *'On Target'* $75.00 pa which includes an Insert, the On Target and the NewTimes Survey journals - printed and posted monthly.
Donations & Subscriptions can both be performed by Direct Bank Transfer to:
A/c Title Australian League of Rights (SA Branch)
BSB 105-044
A/c No. 188-040-840
Postal Address: PO Box 27, Happy Valley, SA 5159.
Telephone: 08 8322 8923 eMail: heritagebooks@alor.org
Online Bookstore : https://veritasbooks.com.au/
Our main website of the Douglas Social Credit and the Freedom Movement "Archives" :: https://alor.org/
On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.