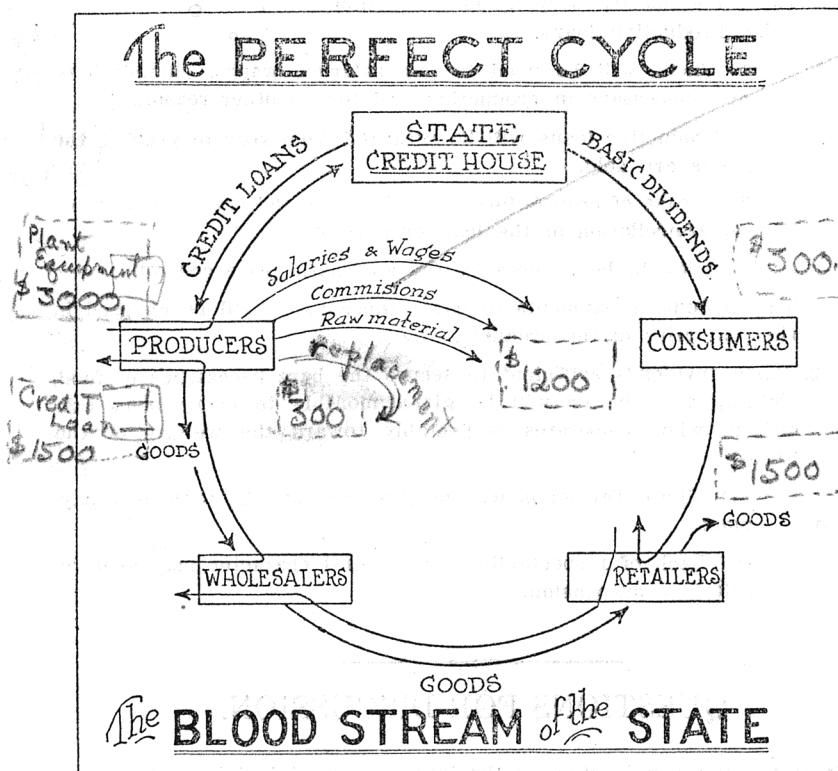


STUDY GROUP FEATURE No. 5.

"THE PERFECT CYCLE"

Introduction.

- A. Each student of Social Credit must be able to trace the flow of Credit and goods through the Cycle.



- B. To introduce the Social Credit System, three steps should be taken—

1. All bona fide citizens should be registered, showing age, residence, ability, etc.
2. Branch Credit Houses should be established in every centre where banks are now or have been established.
3. Provincial Debts should be liquidated as far as possible by the sale of Provincial bonds to our bona fide citizens.

BODY.

- A. The perfect cycle of Credit will be begun in two ways;—

1. Credit loans will be granted to bona fide citizens upon furnishing satisfactory evidence of good faith and efficient ability.
 - (a) To secure Plant equipment for production or distribution of goods.

1. These loans will call for a continuous payment as long as the plant is fit for use.

The amount of the payment will depend on the durability of the equipment.

2. This amount will constitute the unearned increment in the capital equipment, and will be collected also from existing plants.

- (b) To assist in carrying on production,
i.e. Productive loans.

1. These will be used to pay salaries, wages, commissions, etc., necessary in production and for no other reason.

2. Productive loans will be returned from year to year as the goods are sold.

3. In case of crop failure or destruction, the state would allow the cancellation of the loan or part of it.

This would be covered by the automatic price control.

- 1 The amount of payments to cover these loans will be charged in the just price of the products.

2. Basic Dividends sufficient to secure the bare necessities of food, clothing and shelter will be given monthly to every bona fide citizen, who co-operates respectably toward the welfare of the State.

(a) These Dividends will be granted outright without repayment.

(c) Lack of respectability or immoral character may also result in a suspension.

QUESTIONS FOR DISCUSSION.

1. Name the three main steps in the introduction of Social Credit.
2. Why should we register all bona fide citizens?
Give as many reasons as you can.
3. (a) Why should Branch Credit Houses be established in many centres?
(b) Why should there be a limit to the number of Branch Credit Houses?
(c) Would all Branch Credit Houses have the same authority and function?
4. (a) Why should we try to liquidate our Provincial Debts?
(b) How could we do it?
(c) Would the purchase of Government bonds be compulsory?
(d) What would be the alternative? Why?

5. In what two ways would the perfect cycle be begun.
6. (a) How would plant equipment loans be repaid?
(b) How and when would productive or distributive loans be repaid?
(c) Explain the case where there was destruction of the production?
7. Where would the producer get the money to pay for the loans charged?
8. (a) Would Basic Dividends have to be repaid?
(b) Give two reasons for suspension or withdrawal of dividends?
9. (a) How great would the dividends be?
(b) Why not make them greater?
10. (a) How often would they be given?
(b) What would prevent a citizen from squandering his dividend and being without clothes or shelter?

"SOCIAL CREDIT"

(1933)

Major C. H. Douglas.

Chapter 5. "SABOTAGE AND THE CULTURAL HERITAGE".. Introduction.

- A. Justice and value are the corner-stones of semitic society.
 1. Justice—Rewards and punishments.
I.E. the assessments of desserts.
 2. Value—the quality which gives to anything its maximum exchangeability.
I.E. the basis on which desserts are assessed.
- B. Value is removed one stage from usefulness.
 1. Three other matters enter—
 - (a) The urgency of my need.
 - (b) My ability to submit to penalization financially.
 - (c) The absence of competition.
 2. Cf.—A boat to cross a river.
 3. The result is the world proceeds to create values through the agency of scarcity.
 - (a) A demand beyond the supply is created by advertisement.
 - (b) A supply less than the demand is created by sabotage.
 4. These are more prevalent than we think—

(a) Not confined to one class.

I. Cruder manifestations among less fortunate. Cf. the strike.

II. Higher forms are more subtle—Big business tries to obtain a maximum amount of money for a minimum amount of goods.

—Business acumen is measured by the ability to create price rings in indispensable goods, while decreasing costs of manufacture and storage.

BODY.

A. This applied to National Business means—"Balancing the Budget".

1. Business says—"All the costs of an article shall be included in the price of it".

2. The Nation says "The receipts of taxation must equal or exceed its expenditure to sustain the nation's credit".

(a) Money dealers are normally deflationists.

(b) They want to create a shortage of money.

3. As governments must have money, those with a money monopoly control the policies.

B. The early Victorian Economists ascribed all values to three essentials—

1. Land, labor, and capital.

(a) Might be true before the inventive period.

(b) But not now.

2. The fourth factor greater than the other three—

(a) Cultural Heritage.

"The progress of the Industrial Arts".

(b) It is the legacy of countless men and women.

(c) It really belongs to the citizens of the community.

CONCLUSION.

1. This gives a justifiable basis for distribution of purchasing power.