

the objection; nevertheless on the second day of the proceedings it had to acquit six of the accused comrades as nothing could be proved against them. The trial is still going on and will, in all probability, in view of the imposing mass of "evidence" brought forward by the prosecution, still last some weeks. It will serve as a model for other Balkan States.

## POLITICS

### Mr. Churchill's Bankers' Budget.

By J. T. Murphy (London).

Whatever else may be said about Churchill's budget, this much has to be said — it is a bankers' imperialist budget! The incidence or the relief of taxation, coincident with the return to the gold standard, point most clearly to the bankers and link the budget to the Dawes Report. The introduction of the tariff policy directed against foreign countries along with preferences to the Colonies of Great Britain, simultaneously with the increase of military expenditure, make it perfectly clear that to describe it as an imperialist budget is no exaggeration. Mr. Snowden has described it as the "worst rich man's budget in modern history", but has nothing to say about its real imperialist character. He would have the navy and air estimates reduced a little and he thinks that "the state of our industries", do not warrant the application of the insurance scheme with which he is very much annoyed. Sir Alfred Mond supported Mr. Snowden and Sir Alfred is the voice of big business. Sir Robert Horne the Conservative leader of the Federation of British industries re-echoed the story. All the critics were therefore mainly concerned as to how best to help British capitalism and we can pass it along without worrying much about it.

The first feature of the Budget speech was that dealing with the return of the pound to the gold standard. Last year at this time there was a fierce discussion going on in banking and industrial circles as to the advisability of this project. It appeared that they were on the verge of further inflation. The industrialist elements of the F. B. I. were pressing for it and the Labour Party were not averse. The scales were weighted in the opposite direction immediately the Dawes Report was put through and American money began to flow towards Britain and Europe. The bankers have won and the industrialists still cry out without avail. It is clear from all the evidence that this has been accomplished by the collaboration of Wall St. and the English Bankers. The Government has already purchased sufficient dollars to cover the July and December payments on the American debt, covered any retreat they may have to make with arrangements for credits between the Government and the United States Federal Board and the American banks. "Gt. Britain", says the "Evening Standard", is now more than ever vulnerable to the weapon of financial pressure. . . . We are, in short, giving the United States a power which, while it may not be to America's interests to use it, remains always uncomfortably in the background." This disquietude is echoed by others, but it was the only way possible for British capitalism to regather its forces. American-Anglo collaboration in matters of finance is the only cover under which Britain can even steady herself down the decline, and the bankers have decided on it.

Other factors play their part, of course. It is interesting to be able to lend money that is depreciated to the State and get interest and repayments in appreciated currency. This profitable business is revealed in a further part of the Budget dealing with the National Debt. Mr. Churchill was very proud of the debt reduction. It amounts this year to somewhere about £ 40 million. In 1920 the Debt stood at £ 7,828,779,000. It is now £ 7,646,000,000. So, although taxation has yielded for national debt purposes in five years some £ 1,750,000,000 the debt is only reduced by £ 182,000,000. The difference between the two sums has gone into the pockets of the patriotic investors in war stocks, mainly the banks.

But the industrialists are growling for another reason. They cannot yet see how the restoration of the gold standard is going to help them a great deal with regard to the problem of markets. There is a divergence between dollar prices and pound prices. Whereas British prices are up 71 per cent above 1914 level, dollar prices are up only 62 per cent. This difference in price level places the British exporter at a disadvantage, which annoys

the British industrialists who reckon on America as their principal competitor, and accounts for their objection to the latter being strengthened by the Governments action in relation to the gold standard.

It also accounts for the fact that, simultaneously with the concerted efforts to restore the pound, we are faced with a general offensive against the workers' wages and hours of labour. The whole business has to be put through at the expense of the working class. Mr. Keynes projects that it will now be necessary to reduce wages 2/- in the £, that is, 10 per cent.

Were these the only features of the budget it would be bad enough for the workers, but the remaining features are still more blatant pieces of class activity directed to the support of the richest elements. Death Duties have been increased it is true, but the living millionaires have received a free gift of £ 10,000,000 per annum by the reduction of the super tax on unearned income. Besides these, all those with incomes over £ 250 per annum receive a little gift amounting in all to £ 32,000,000 per annum.

While these little gifts are being handed round to those who are in clover, the workers come in for a bit of rough handling. Mr. Churchill has stolen the thunder of the Labour Party with regard to old age pensions and pensions for widows, but has decided to do it at the expense of the workers, by imposing a tax of fourpence per week for men and twopence per week for women who already pay the national health insurance and the unemployment insurance. Of course it is said that the employers are to pay 4d and 2d per week too and the State an equal amount. But it does not work out that way. The miners, for example, under the national wages agreement pay 87% of the employers insurance, while everybody is quite convinced that the remainder is passed on to the price of commodities.

Of course the industrial element don't want even that, because they are anxious for prices to come down. The net result can only be an intensification of the fight to reduce prices by reducing wages and lengthening the working day. At the same time the worker cannot escape the payment by any means whatsoever. If he gets a job at all, it is stopped out of his wages. Hence, the poor, out of their poverty, are to be poll taxed to insure the boss from any responsibility for either old age, widowhood, sickness or unemployment.

It only requires the extension of this scheme along the line of the Mond proposals and the workers will also be levied to subsidise broken down industries. Already unemployment and health insurance cost the worker 13 pence per week off his wages. To add a further fourpence per week just at the moment that wages are again being reduced all round is a pretty heavy dose and is bound to affect trade unionism. The average wage of the skilled worker in the engineering industry is 57/- per week. Of this he has now to pay 1/5 insurance and 2/- per week for his Trade Union. It is obvious therefore that this new taxation is no godsend. But Mr. Churchill consoles him by reminding him that the Labour Government reduced his taxes last year, but politely ignores the fact that the cost of living is higher and the tax relief has gone into the pockets of the Trusts.

The reward for all this is to be in the form of pensions for widows to the extent of 10/- per week which is about five shillings per week lower than what is allowed by the board of guardians as poor law relief. The allowance for the first child is 5/- per week, for the others 3/- per week. This scheme is to come into operation on January first next for all those who have two years payments. Old age pensions at 65 years of age come within the scheme and are operative from 1928.

This departure from state pensions on a non-contributory basis is the point upon which the Labour Party is laying stress. The Tories have stolen the thunder of the Labour Party so far as the widows and pensioners are concerned and transferred the payment for it direct on the workers. For sheer impudent class war legislation for social amelioration it would be hard to beat.

After relieving the rich and penalising the poor it is of importance to observe the nature of the remaining programme. Expenditure on the Navy and Air Forces goes up by £ 5 million. This is introduced at a moment when recruiting and military demonstrations are receiving more attention than they have received since the war, and certainly much more than before the war in 1914. The Budget emphasises the fact that however pacific the language of the British ruling class may be to America or any other country, there is very little of a pacifist nature in their deeds. The Budget begins the tariff war by re-introducing the

McKenna duties and imposing new taxes on the import of silk goods. For raw materials and partly manufactured materials, Britain is practically dependent on foreign supplies in which France plays no small part. The McKenna duties are taxes on automobiles, motor parts, clocks etc. directly aiming at the continental and American trade.

With these barriers against the foreigner the Government has decided to make concessions to the colonies by granting preferences on dried fruits etc. agreed upon at the Empire Conference in 1923. It will be remembered that this Conference was composed of Tory premiers, and paved the way to the General election which made possible the return of a Labour Government.

Thus the plan of campaign for imperial recovery has come full circle. Two years have elapsed and the Labour opposition has been transformed into an appendage of the imperialists with little chance of making a real opposition to their policy for a long time to come. Certainly on this occasion they will meet with no serious opposition. Most of it will be of a vote catching character in which the remnants of the Liberal Party will vie with the Mr. Snowden and MacDonald. Both will talk about the extra burdens placed on "industry". Both will complain about womens silk stockings and underwear costing more. While the Labour Party may get a little extra capital out of the situation by saying that the pensions should be on a non-contributory basis.

The Tories will undoubtedly make the fullest possible use of this Labour Party line in other circumstances. For example, Mr. MacDonald and Mr. Hayday have howled about the heavy burden on industry which the insurance tax will impose. Mr. Hayday said: "Mr. Churchill's budget, we are told, was to help industry. By his pension scheme he will do more harm than a dozen strikes or lockouts . . . . . The heavy burden on industry will handicap most heavily those trades — Mining, Engineering, Shipbuilding, Cotton etc. which have been hardest hit in the present depression. On top of their present difficulties, the Churchill poll tax may prove to be the last straw that breaks the camel's back".

The employing class will thank the Labour Party for this argument when they meet the trade unionists who want increases of wages, and it wants very little imagination to hear the employers address, say, the engineering unions as follows: "You agree that fourpence per week per head for the insurance scheme may prove likely to break our backs. Why then do you come to us with demands for one pound per week per head advance in wages for the engineering workers? Is this not likely to send our industrys to perdition?" Thus, once again the Labour leaders' concern for capitalist industry will be used to defeat the workers.

So the Tory Government can afford to smile. They will say and do say that while the Labour Party was talking about pensions, the Tory Party found the practical ways and means of introducing them without delay. True, they say it means a small effort more must come from the workers, but then if they have to wait until the State can afford to give the pensions, they will not get them for many years to come because everyone is so poor and industry has yet to be restored to normal.

With this kind of reply ready, with an enormous press to help them, they will then reckon up the account and see that the wealthy class has succeeded in entrenching itself, relieved itself of considerable taxation, paved the way for a bigger navy and bigger air force, taken definite steps to hold the Empire closer to the "mother country" and prepared the way to fight the foreigner. In short the Budget is a real British Imperialist Budget.