NOTES OF THE WEEK

The Busmen’s Strike

It is very sporting of the busmen to start their strike in time to finish it before Coronation Week. And equally sporting of the coalmasters to time their strike to start after Coronation Week. Nobody will begrudge the first set of men the use of the flags now being hoisted up, or the second set the use of them before they are hoisted down. Nothing shines in more on a loyalist rhythm. The Observer calls the busmen’s strike “mis-timed,” and warns its readers to “keep cool.” Well, the timing is the best feature of it, and the last thing to get heated about.

The same paper delivers itself of this grandiloquent sentiment:

“...a public sure of itself and of its own ultimate antiquity does not find patience a difficult virtue.”

This is a curious expression of the known truth that the public is sure of nothing but that it will acquire in any settlement that may be arrived at. No such “public” as the writer presents to us exists; it would certainly not be patient. No strike is ever well timed from the point of view of those who depend on the services of the strikers. Logically there ought not to be any strikes; and that is the writer’s implicit contention. Well then, what are the men to do? Wait for a General Election to vote for their shorter hours? Or petition their Members of Parliament?

The men’s case is that they cannot support the strain of their present working hours. If that is true the reply of the L.P.T.B. that they are working fewer hours than the physical or psychological reactions of the men to their conditions of service. Working hours have to be the same for everybody in the service, and in the interest of public safety they ought to be short enough to suit the condition of the weakest, not the strongest, servants of the Board.

NOTES OF THE WEEK

The busmen’s strike—interlocking of bus-finance and railway-finance.

The Growth of the Excess Profits Tax

Mr. Chamberlain’s revival of the Excess Profits Tax.

Duty under a new name—why?—did Chamberlain act on his own initiative?—injustice of the taxation and prices.

L.P.T.B.’s Finance.

Leaving this aside, the really serious argument of the Board is the old one. We can’t afford the cost. They furnish figures showing that 767,000 miles are run by their vehicles every day, and that the cost of running each vehicle per day is 5.6d. in wages, and 5.9d. in other costs, making a total of 11.5d. Receipts per other costs, making a total cost of 11.5d. Receipts per vehicle are 13.1d., leaving a “margin for overhead expenses, insurance, interest on capital, etc.,” amounting to 1.6d. Every penny per vehicle per mile represents about £1,200 cost per day for the running of the service. Hence it would seem that the wages paid out come to about £13,000 per day or £426,000 per week. If there are 39,000 men on the wage list this sum provides on the average about 42 per week for each.

Cross-Subsidies.

We do not propose to subject the Board’s analysis of costs to the Social Credit test. What is more important is to draw attention to the statement at the moment is that if they were to accord to the men’s request the extra cost of employing more drivers and conductors would hold up capital developments on the underground. They say that the cost of contemplated extensions on the railways is more than can be covered by receipts from passengers who will only one day patronize them; therefore, the argument proceeds, the deficit will have to be made good out of the resources of the whole transport undertaking. This means that the extended railways will have to be subsidized out of the resources of the established bus service. As if to gloss this admission the Board hurry on to say that of course the extension of the railways will lead to developments in bus services; and then leave the public with the hazy picture of bus money subsidizing railway money, and so on, until sit side by side with railway-money, and the perfection of a united financial circuit the Board to accomplish. It would, provided the right people conducted the investigation—and a jolly good job too.
Mr. Bevin, who stands for the busmen, used to show interest in the technology of credit, even though he did not proceed so far as we once hoped he would. But his early studies, coupled with the growth of knowledge on such a subject, the time we spoke of, should help him to realise that the Social Credit principle of enabling the working classes to participate in the financial development is the answer to the Board’s decision. It is this: “Finance for new production should not be provided out of savings, but through new credits.” As against the present problem it means that new railways should be financed by new money. If the Board, as they seem to admit, are reserving and accumulating any fund for that purpose it is not new money, it is money already there. In the Post Office Savings Bank they are allowed to pay out the cost of the money claims. A demand to this effect is the best tactical move towards a sound technical solution of the problem.

The Growth-of-Profits Tax

(As the following section of this article was written shortly after the Budget was introduced.)

As usual, the criticism and condemnation of this tax misleads the objectors. Say that business concerns will charge extra profits to cover the tax. Supporters of the “Daily Telegraph” say that the incidence of the tax is too heavy, and so it is for the ordinary citizen. Both arguments are wrong in principle. The inciting of the “Manchester Guardian” says that this tax will be passed on to the consumer. The other says that it is an axiom of business practice. Tax or no tax, the prices and profits will be decided by the supply of demand for the goods and services. The Post Office Savings Bank is the only institution of private consumers. The banks’ own dictation that credit-extension causes price-inflation is a red herring. The truth is that the adoption of profits levies has laid down in the Social Credit Proposals reflects their intention to make that truth prevail.

Cashing Out On Inflation

The more you have the less it will buy,” said R. H. First, the battle of the small-town newspaper on the contemporary collapse of the purchasing-power of the dollar. He might have put it another way, and said: “Prices are not incomes, and incomes are not prices.” The price of a tax is on Income; and since the course of prices is left to the “Law of Supply and Demand,” the price system operates as a negative value on the income tax levied by industry on consumers, and levied at the rate of 10 per cent. on the base of the calculation that industry will levy a growth-of-income tax. In other words the Treasury will add to the cost of living of the consumer. The growth-of-income-tax is, so to speak, the price which the banker willing to pay for the privilege of exploiting the “Law of Supply and Demand.”

To put it bluntly, the banker-growth-of-income-tax is the consumer covered with his hands above his head while the industrialists go down his pockets; and they will get a take-off for their services.

Spare a Copper for Postery

This is contrary to Mr. Chamberlain’s words in the House on April 1st, when he expressly disclaimed the intention of using the new tax as a weapon against instrumentality against profit-takers. Precisely. There could be no intention in the taxation unless it deprived industry of the whole of the excess profits; really it should take away more than the whole of the excess to be punitive. As the matter stands it is just one of dividing the spoils.

And Mr. Chamberlain candidly says that he expects the Treasury’s share of the spoils to grow in future financial years. The proceeds in the present financial year, he says, will be nothing to speak of, and from that point of view the new tax is not worth bothering about. But it is an interesting thing as Consciousness of Principle. The principle is that the present generated must, so far as possible spare Postery the carrying of the burden of new money. That being granted, the only question is: Which is the fairest way of allocating the cost of raising the various classes of revenues? Payment is now required to complete the balancing of the Budget is not to be taken out of industry’s growth of profits, what other way of raising it is fairer?

No Social-Credit Vote in Parliament

Such was the gist of Mr. Chamberlain’s defence of the tax. Needless to say even the Conservative majority in the House, like the ranks of Tuscan, could scarce forbear to cheer. The old trick had worked once more. One morning you regard you are not getting your money; "Yes, yes." “Do you object to pay?" "Who, then, do you suggest shall pay?" And then that it is all right. When will someone get up in the House and ask the right answer? Is there no indication of the Pre-election de- scend of the Social-Credit attitude towards the tax? That has not yet appeared in the pages of Hansard.

Bankruptcy of Ministers

One Member of Parliament who can open fire on orthodoxy in some way or another is Mr. XIII. He knows that it is a job to catch the eye of the public, but has anyone tried?

And, after all, even if a Member is keen on the debate, he can yet do something by asking questions. It is true that the adroit spokesmen on the Front benches, who have been discussing these matters, has been the cost of living, and for the time being, the question of the cost of living. (This is the story that the “Economic Standard” is a result of the Government’s cost of living, and for the time being, the question of the cost of living. The most important is no more. The banks can intervene and interlopers on (whether directly or indirectly) what the public wants, and the Government can not afford to raise the price of government. The costs of living are not, in effect, and the small personal expenditure is no longer in Spain.

Profit Growth and Profit-Excess

On the whole, it will be reasonable to assume that the banks are not interested in neutralizing the tax, and that the new tax is an escape in kite-flying. It is not that the tax is the same as growth, as has been the case with the “Excess Profit” during the war. It is a matter of principle, for the first time in the war, the banks have been interested in the Financial Reconstruction in the recent years, because they could bear, and are willing to bear, all responsibility for the Government’s economic position. The banks are ambitious to be the leading players in the postwar period, and not nationwide, but in a manner more than national in the City—strikes for example, not of the small personal expenditure on the other hand, in Spain.

Origin of the Tax

There have been two items of news since the foregoing comments were written. One is concerned with the philosophy of the new tax, and the other with the opposition of the Defence Loan. The Church of England edited the new tax, and the other with the opposition of the Defence Loan. The Church of England edited the new tax, and the other with the opposition of the Defence Loan. The Church of England edited the new tax, and the other with the opposition of the Defence Loan. The Church of England has not consulted anybody, and (5) another alternative.
emphasised by Mr. Chamberlain’s declaration that the new tax is not a “punitive” impost—this has special significance within a purely Social-Credit frame of reference. First of all let it be noticed that a proposal to tax growing profits is defensible on the practical and just principle that taxes should be levied on those who can best pay them. If profits grow, then taxable capacity grows, and hence a new tax should properly fall on the expanded capacity. This is a sound enough argument provided that the taxable capacity of one section of the community does not grow at the expense of other sections. Let us assume this to be so for the present.

Taxation and Price-Regulation.

Now let us examine the question of what happens if a proposal to tax profits is intended to regulate the realised return of industrial enterprise. Never mind whether the tax will have that effect; the point here is the intention. It is an intention to fix a top limit to what buyers shall pay to sellers within industry, and ultimately to what private consumers shall pay to industry. Next, consider this: that an intention to limit prices to consumers, when announced in conjunction with a decision to expand credit, would logically reflect a policy bearing resemblance to the Social Credit Proposal. Let us hasten to add that it would by no means implement Social-Credit principles. Yet there is this resemblance, that supposing consumption-prices are thus regulated while credit is expanded, then (a) the credit-system is being controlled at both ends and (b) the effect would—of course—to increase the collective purchasing-power of the community in the consumption-market. New is an established Social-Credit principle that the credit-system must be controlled at both ends; and it is a Social Credit objective that a general increase of consumption purchasing-power shall be the immediate result. So much for the resemblance spoken of.

Control of the Credit-System.

But the Social Credit Proposals require that the authority which expands credit shall be the same authority which regulates prices, and that it shall exercise its dual control with the express object of expanding the volume of goods delivered to the community. Needless to say, the present Government, to which, by hypothesis, we are attributing the intention to limit profits and benefit consumers, is not the authority that expands credit. Nor is it the authority that contracts credit. That authority is represented in the person of Mr. Montagu Norman. So unless Mr. Norman, as the controller of credit at the issuing end of the system, were to seek the same dual objective as Mr. Chamberlain, the controller of credit at the receiving end, Mr. Chamberlain would not be able to reach that objective—nor even if he were to achieve power to impose price-schedules throughout the whole of industry. On the other hand, suppose Mr. Norman and Chamberlain sought the same objective, it would not matter which of them were the authority. The common objective would ensure the essential duality of control, and after that the achievement of the objective would be simply a matter of exercising the control on the correct technical principles as propounded in Social-Credit text-books. So much for our hypothesis.

To come to reality, neither Mr. Norman nor Mr. Chamberlain has such an objective in view. And Mr. Chamberlain’s virtual declaration that he is not interested in price-regulation is probably a diplomatic move, made under Mr. Norman’s inspiration, and designed to warn all whom it may concern that the profits-tax is nothing more than a fiscal device for raising revenue. For if he allowed it to appear that he sought an ulterior economic object he would be creating a dangerous precedent. At all costs he must keep his fiscal policy above suspicion of being intended to interfere with the “law of supply and demand," else he yields moral support to those who would expose that law and abrogate it.

NOTICE,

"THE NEW AGE."

This is the first number of “The New Age” issued under the terms of the arrangement announced on April 15, 1937.

Price To Trade Raised

We are making one modification. We shall not immediately stop supplies to wholesalers, but our price to them will be raised to a figure which will, when discounts are deducted, yield us sevenpence per copy. The effect will be to raise the newsagent’s price to one shilling a copy. This should be prohibitive except in cases where readers have special reasons for not taking out subscriptions and yet wish to receive “The New Age.”

Legal and Commercial Protection

If the trade are able to sell copies on these terms the number will be very small—certainly small enough to make the “New Age” virtually a private publication. This will enable us to plead privilege in a court of law as one ground of defence against actions arising from what we may publish. It will also practically eliminate disturbance to our arrangements arising from the possible refusal of the trade to handle the “New Age.” (See our comments on this subject in the New Age” of April 15, 1937.) Moreover, we can, if we think fit, supply the trade’s requirements in sealed envelopes—a procedure which would have additional weight in support of a plea of privilege.

Need for Frank Comment

In any case our arrangements make it quite certain that nobody can hereafter plead before a judge and jury that the “New Age” falls into the hands of selfish and easily impressed people. In other words, the quality of our circulation will constitute a frame of circumstance in which our legal process will be raised to the highest degree. We are thus laying a foundation for the exercise of the same freedom of comment on public affairs in relation to the science of Social Credit as is enjoyed by psychologists of responsible works on, let us say, psycho-analysis, or theology.

Doctors, for example, can publish high-priced works on sexual matters, whose text and illustrations would not be permitted in “cheap-priced,” popular pamphlets. They may be backed by the real qualifications of the writer, and the dual check of a substantial price and of (in some cases) regulated distribution. That being so, then, I put it to you that the “New Age” should enjoy the same freedom to be, let us say, “magnanimous” upon the same conditions. It will be more convincing in its appeal, and it is my belief that our new arrangement puts those three conditions fairly out of the question.

Credit science and its political implications

“Might and Right”

Readers who are taking a careful survey of the present real political situation at home and abroad cannot fail to see the evidence that the “Might and Right” position of the world is becoming more flagrantly applied than ever before. The practical implications of this situation need frank discussion. What are our powers of reckoning demand and of demanding results? How shall they be exercised? And by whom? These questions have to be explored thoroughly, and along lines which may not always commend themselves to conventional authority. “Might and Right” is a clearing house for the explorers.

Forthcoming Meetings.

LONDON SOCIAL CREDIT CLUB.

May 7th, 8 p.m. — Finsbury, London, E.C.

May 8th, 8 p.m. — Dudley, Staffs.

May 9th, 8 p.m. — Wirral, Liverpool.

May 10th, 8 p.m. — Woodford, Essex.

May 11th, 8 p.m. — Wigan.

May 12th, 8 p.m. — Stockport.

May 13th, 8 p.m. — Middleton.

May 14th, 8 p.m. — Bury.

May 15th, 8 p.m. — Buxton.

Meeting at each place, generally at the official premises of the Club at each place. The meeting will include a report on progress, and a discussion of the current social-economic situation.