

representatives of the Irish were not received in Paris on the obvious ground that they had no locus standi. I remember seeing Dr. Dillon in Paris among a number of journalists. Dr. Dillon was not a delegate, and had not one crumb of information at first hand. He was not admitted to a single commission, sub-commission, council, committee, or anything else. I remember handing a representative of the leading journalists a report of the day's proceedings of one of the commissions I was attached to as counsel in international law. The report I handed over consisted of half a dozen lines. Next day it was expanded into an article of a column and a half, the only accurate portion of which was the six lines I gave him. All the rest consisted of guesses, surmises, small talk, and squibs, a concoction which represents the nature of Dr Dillon's book. And yet it is the best evidence "Veritas" produced. Would any court in Australia accept it? Would the readers of this paper accept it? What would any court or any reader think of the mental calibre of a critic who brings it forward as his trump card?

11. Atrocities. When I was in Paris I was charged by a commission to draw up a statement of the breaches of the laws of war and principles of humanity committed by the enemy. Carefully investigated memoranda, containing extraordinary details, dates, places, names, &c., were handed to me by representatives of all the delegations. With the help of a French representative I drew up a list of 31 laws that were deliberately infringed. This draft ran into a pamphlet of 40 or 50 large printed pages, which was circulated among all the members of the conference, and has since been published separately. I am not going to trouble the reader with the thousands and thousands of cases of vile offences and dastardly atrocities. For four long years our kith and kin—the finest and fairest of the race—bathed in blood, and fell on the stricken field, in order that law and justice might be vindicated. And now this "Veritas," betrayed by the weakness of his intellect, actually has the audacity to compare all these heinous misdeeds with the events in Ireland. Imagine a comparison made of two cases that are quite incomparable. Just think of his logical equipment. Ireland is British territory, and the British authorities are bound by law to preserve order there, and in case of riots and seditious practices they are entitled under the law to use extreme measures in self-defence when necessary. Does "Veritas" know of such an event as the American Civil War, and does he know what bloodshed there was to prevent secession, which the prevailing Government was entitled to prevent if it could. It may be that "Veritas" is a Sinn Feiner or a Bolshevik or an anti-Britisher; but even that is no excuse for being an intellectual bankrupt.

12. What Germany would have done.—"Veritas" says that this is a curious and illogical argument to justify the terms of the treaty. The reader will no doubt be only impressed again by words of one who is such a consummate master of logic!! In the first place nobody justifies the terms imposed by this consideration alone. There are, unfortunately, far more weighty things which justify the terms. All that we expect to do by referring to the repeated menaces of Germany, as to what she would do if she were victorious, is to throw light on her mentality, motive and intention; and as every child even knows—though "Veritas" doesn't know—the motive and intention of a criminal are always taken into account in estimating the gravity of his actual offence.

13. Responsibility for the War.—Lastly, "Veritas" suggests that I said Germany was alone responsible for the war. This suggestion is obviously another stupid misrepresentation. We all know how Germany, Austria, Bulgaria, and Turkey worked together, and we also know that Germany was the senior partner of the firm. I am sure the reader does not want me to dwell on something he is clearly convinced of.

Conclusion.—It is a great pity, "Veri-

tas" thought fit to make this onslaught; for he has discredited himself in the eyes of all intelligent readers, and I am afraid has done "The Daily Herald" a great disservice. I am aware that this paper is the organ of the South Australian Labor Party. I have met members of that party and think well of them, and have great respect for them, and I am confident that not one of them would subscribe to such an amazing concoction as was offered them by "Veritas." For surely I have clearly established in my few observations—which might have multiplied had I more space at my disposal—that he should cease to masquerade as "Veritas," and assume the more fitting appellation of "Ignorantia," "Malignitas," or "Mendacitas," or perhaps a compound of the three might suit him better. Even though he does possess a large fund of barefaced impudence, that is no reason why he should thrust himself on the readers of this paper. He refers to Dr. Dillon, and speaks of the world's delegates at the Peace Conference as being classified into big men and little men. Your readers will now agree with me that if by any chance "Veritas" had been at the conference he would not have been put in either class.

P.S.—I ask the Editor's and my readers' pardon for my severity, which is in the circumstances *infra dig.* But my "critic" provoked it by his personal abuse and offensive tone.

Herald - 9/8/21

ECONOMICS OF LABOR

WORKERS' EDUCATION.

PROFESSOR MURPHY'S LECTURES.

The Tuesday night advanced economics class of the Workers Educational Association at Banks College continues to be well attended by students and visitors, and at the last Tuesday night there were visitors from Christchurch and Dunedin.

Returning to wages theories, Professor Murphy said that at least five major theories had held the field, of which the natural rate theory was the first. It was assumed that there was one general level of remuneration to which all wages tended to gravitate, just as the waves tended to the level of the sea, and that differences of wages were offset by various psychic factors, such as expense of training, irregularity, chance of success, &c., in such a way that the net advantages of all occupations would be equal. It was considered that if there were any long departures from such real equality, labor would move from one industry to another until equilibrium was restored. That theory was incorrect, because it assumed that labor was perfectly mobile and intelligent, and that competition operated unheeded, which was untrue. Also it ignored the effect of social stratification and the existence of competing and non-competing groups. Within each non-competing group the theory was substantially true, and wages tended to equalise net advantages, but owing to difficulty of movement as between grades it was not a general explanation.

—Wages Fund Theory.—

Professor Murphy said that the wages fund theory assumed that the circulating capital of a country was a fixed wages fund, that there was a fixed industrial population competing for work, and that wages depended on the proportion between these. If that were so, then, obviously, trade union activity would be futile or worse, because wages could be altered only by increase or decrease of population or capital, which were outside trade union control. The theory, however, was untrue, because it assumed that there was always a fixed industrial population competing for work, which was not true; because it assumed that there was a fixed part of wealth and capital unconditionally appropriated for wage payment, which was incorrect; and, more than all, because it failed to see that labor was paid, not out of pre-existing capital, but out of the current product of industry, creating its wages, and something more, as it went along. It was contradicted by the facts of history, wages being high in new countries with little capital, and vice versa, because of differences in industrial productivity. Over very short periods it had elements of truth, e.g., after the Black Death in England, and it emphasised the fact that capital could work only in conjunction with labor, so that accumulations of capital tended to raise wages.

—Iron Law of Wages.—

The iron law theory of wages, said Professor Murphy, was held by most Socialists, and stated that wages were determined by cost of production, and laid at the level that would keep labor alive and induce it to bring up the next generation of workers. It was held that any increase would increase population, and so cancel out the rise, whereas a fall below subsistence level would starve off some workers and raise wages for the balance. As an historical explanation of wages it was on the whole correct to fact, and also explained wages in such countries as India or Egypt today, also the wages of the lowest grades of workers in England; but it was untrue of the higher grades there, and of all labor in New Zealand. It was found that when added prosperity of the worker was fixed in a standard of life, the population, instead of growing, failed or remained stationary in that group, permitting the rise to be held. Statistics however, made it clear that probably most of the world's workers were not far from the level demanded by the iron law theory.

—Productivity Theories.—

Continuing, Professor Murphy explained that productivity theories allowed for the effect of industrial productivity on wages, and, applying the marginal analysis, considered that wages were fixed by the amount which it was just worth while to pay the least valued man. As more labor was employed its worth to the employer became less until he would be on the margin of doubt as to hiring more. The last man just worth while employing would settle the wage of all. Objections to that were as follows:—1. There was no separate productivity of labor, each business functioning as a whole, therefore the amount of the product attributable to labor could not be ascertained. 2. The selection of the laborer as a residual factor was arbitrary; the employer was more in that position. 3. The word "productivity" was ambiguous. If it meant productive of output it was objectionable under (1) as given above. The use of the word "efficiency" did not help, and could not explain comparative wages. The use of the word "worth" was worse than meaningless, as it conveyed the idea of a moral desert. The theory was true insofar as it emphasised that output exercised a differential effect on wages, and as a protest against any "go-slow" policy. If the theory was entirely true, then trade union action would be futile. It relied too much on the effect of competition.

—Standard of Life.—

The theory, said Professor Murphy, asserted that wages were governed by the standard of life of the worker, who would not work for less than the standard of life. The standard of life was the level of consumption habitually insisted upon by the mass of the people, any lowering of which was felt as a hardship. While it did not entirely determine wages, it affected them in various ways, as for instance:—1. The worker clung so hard to the customary standard, and so much trouble was caused by cutting into it that economising employers would touch it last of all, and it was seldom surpassed, as the worker, once sure of his standard, did not press very hard for more. 2. The standard of life affected wages in connection with the existence of non-competing groups, through the birth rate, for it affected propagation—the higher the standard the lower the birth rate—and thus restricted numbers in the group and resulted in a relative scarcity of labor, enabling the standard to be held. 3. It was supported by public opinion, trade union sentiment, labor legislation, religious sanctions, and the general idea lying behind such phrases as "a fair day's pay for a fair day's work." That was vague; but not too vague to act as a brake on competition in the labor market. It constituted a reserve price for labor below which labor was not generally offered. 4. The standard affected the efficiency of the worker, and thus affected output and wages. 5. It safeguarded the wage when fixed. Fixed standards were most desirable, much war unrest being due to the chaos introduced into wage standards by depreciation of money, which was its measure, and it made for industrial stability. The workers were always out to improve their standard, which was good for the community.

—Summary of Theories.—

Summarising the various theories, Professor Murphy contended that no single theory of wages was satisfactory, though all were partly true. Wages could not in the long run fall beneath the minimum of subsistence, or rise above the

net product of industry. Within these limits they would be fixed by:—(1) Standard of life; (2) accumulation of capital seeking investment; (3) numbers of available workers; (4) bargaining power of labor; (5) operation of law; (6) public opinion; (7) productivity of industry; and (8) social stratification. That explained the widely varying levels of wages in different groups, countries, and periods.

—General Remarks.—

Dealing with miscellaneous matters bearing on wages, Professor Murphy said that on the whole wages rose in the 19th century, but the previous level was probably the lowest in history. Employment was probably more irregular, and other classes had improved their position still more than the workers. The rise had been partly nominal. On the other hand, the workers had access to many communal facilities, in the way of education, insurance, libraries, parks, and so on, that their fathers did not enjoy. It was, however, relative and not absolute prosperity that affected contentment so that the workers had climbed, saw a wider horizon than ever before, and wished to progress still farther. A measure of industrial unrest was, therefore, a healthy sign, and was always a pre-condition of progress.

Advertiser 10/8/21

INTER-UNIVERSITY DEBATES.

For the first time it has been decided to hold a series of debates between speakers from the different Australian universities. This is largely due to the energy and enterprise of the Sydney University Debating Society, which has arranged for a series of debates in the week from 12th to 19th August, and has actually secured a vote of money to pay the fares of visiting speakers (reports the Melbourne "Age"). Three speakers have been chosen to represent Melbourne University Debating Society—Messrs. P. D. Phillips, B. Alice Hunt, and C. H. Murray. They will oppose Brisbane debaters on August 12, and maintain that circumstances are favorable to the creation of more Australian States. On August 17 they will be opposed to Sydney, denying that the League of Nations offers a practical solution to international rivalry.

Register 12/8/21

PROFESSOR BERRY'S VISIT.

Arrangements have been made by a committee formed of representatives of various societies interested in social welfare for the delivery of a series of lectures in Adelaide, by Professor Richard Berry, of the Melbourne University, dealing with the question of the abnormal child, and his care and treatment. Professor Berry is a most interesting lecturer, and has attracted large audiences in the other States. The subject is one of vital importance to the community. The professor will demonstrate the uses of that series of mental tests which are at present arousing world-wide interest. These are used not only for the detection of those who are defective, mentally and morally, but they are also in operation in large industrial centres in America and elsewhere in classifying large numbers of employes quickly and efficiently. To accurately ascertain the mental capacity of individual persons, experts trained in this special branch of science are needed. Professor Berry, who has devoted many years to research work in this subject, will outline a scheme for the training of such specialists, and will formulate a working scheme for the carrying out of these ideas in this State. His Excellency the Governor will preside at the opening lecture to be given in the Brookman Hall, School of Mines, on Friday evening, September 2. The public are invited to attend the full series.