

After declaration, Collector to take order for acquisition.

7. Whenever any land shall have been so declared to be needed for a public purpose, or for a Company, the Local Government, or some officer authorised by the Local Government in this behalf, shall direct the Collector to take order for the acquisition of the land.

(These sections are followed by others with supplementary provisions.)

The notification under this Act was published in the PUNJAB GOVERNMENT GAZETTE of 22nd December, 1911, and is as follows:—

*Department of Revenue and Agriculture.
General.*

The 21st December, 1911.

No. 775.—Notification—Whereas it appears to the Lieutenant-Governor of the Punjab and its dependencies that land is required by Government for a public purpose, namely, for the new capital of India at Delhi, it is hereby declared that the undermentioned land is required for the said purpose.

This declaration is made under the provisions of Section 6 of Act I. of 1894, and under Section 7 of the said Act the Collector of the Delhi district is hereby directed to take order for the acquisition of the said land.

(Here follows the Specification of the land in respect of which the Notification is given).

FOR STUDENTS AND OTHERS.

CAN WAGES BE RAISED BY "FORCE."

In the debate on the 15th February in the House of Commons on the Labour Party Amendment to the Address in reply to the King's Speech, Sir Frederick Banbury said:—

The strike in Liverpool raised the wages of the seamen and dockers, and of all people connected with transport and the docks. The consequence of that was that freights were raised and the consumers had to pay an increased price. That will always follow. If you raise wages artificially, by force, you are bound to raise the costs of what those wages produce, and the result of course will be that the consuming classes will have to pay more than they had to pay before the rise in wages and consequently no one is benefited.

In last month's issue we printed the above and invited correspondence on it. The following replies have been received:—

(To the Editor, LAND VALUES.)

SIR,—Sir Frederick Banbury's statement contains so many half-truths and fallacious conclusions that adequately to unravel them all would involve the writing of an elementary text-book of Political Economy. Some light on them, however, may be thrown by the following considerations.

If all the wealth produced by the community were distributed as "wages" amongst those whose brains, muscles and enterprise contribute to the necessary work—the workers—then it would be true that any increase in the "wages" of one section of the workers would necessarily have to be found out of the portion accruing to the rest. To-day, however, this wealth is not thus distributed. Many have special legal claims upon it who in no way contribute to the necessary labour. Hence the wages of any section of the workers, or of the whole of them, might be increased to the full amount to-day taken by these latter privileged classes without the wages of any other of the workers being in any way reduced, or the price of the things they consumed being necessarily increased.

The following well-known passages from Adam Smith's *WEALTH OF NATIONS* have a direct bearing on the questions raised by Sir Frederick Banbury:—

The annual labour of every nation is the fund which originally supplies it with all the necessities and conveniences of life, which it annually consumes, and which consist always either in the immediate produce of that

labour, or in what is purchased with that produce from other nations.

The produce of labour constitutes the natural recompense or wages of labour. . . . As soon as land becomes private property, the landlord demands a share of almost all the produce which the labourer can either raise or collect from it. His rent makes the first deduction from the produce of the labour which is employed upon land.

As all human labour is necessarily employed upon land, the landlord's rent "makes the first deduction from the produce" of all labour. And, manifestly, the full amount of such deductions could be restored to the labourers, and "wages" be increased by this amount, without involving any increase in the cost of production or involving any rise in prices.

So much for the general principles underlying Sir Frederick's conclusions. Let me now briefly examine the conclusions themselves. He tells us that "the strike in Liverpool raised the wages of all people connected with transport and the docks"; and that the consequence of that was (A) "that freights were raised." Well, they may have been; and so they might have been had no such strike taken place. For, as Sir Frederick and all others who have ever shipped goods know well enough, the freights obtainable do not depend upon the wishes or demands of shipowners, nor upon the wages they have to pay to their "hands," but upon a thousand different circumstances, the relative supply of ships and of goods that are ready for shipment, amongst others. He continues—(B) "and the consumers had to pay an increased price." An increased price? What for? For the freight, or for the goods shipped as freight? The former I have shown to be questionable; the latter is still more questionable. For the value or price of any goods, of any staple product, does not depend upon the cost of producing it and placing it on the market by the best means and from the best sources of supply, but upon its cost of production by the worst means and from the poorest sources to which the demand of the market necessitate the community to have resource. Thus, the price or value of coal or of corn does not depend upon its cost of production from the best mine or the most fertile land, but upon its cost from the poorest or worst situated mine, or the poorest or worst situated land, to which the community has to have resource. Hence, when the consumer buys a ton of coal or a sack of wheat, the price he has to pay is not necessarily all payment to the workers, agriculturists, seamen, dockers, &c., who have contributed towards its production; some of it goes to pay rent to those owning or controlling the use of the better mines or the most fertile land, and of land specially suitable for railways, docks, and so on. All of which latter could be absorbed for public purposes, or for the benefit of the workers, without increasing by a single fraction the price they would have to pay for any commodity. The price of all commodities would be kept at their natural or economic level, temporarily affected by supply and demand; and the price, wages or earnings of labour would be kept at its natural level. And thus Adam Smith's ideal would be reached, and the labourers secured "the full natural recompense or wages of labour," viz., the produce of their labour.

To my mind, strikes are better than dumb acquiescence in the lot to which the present system of land tenure and taxation condemn the labouring classes. Of course, the far better method would be an organised movement to alter the present system of land tenure and taxation, so as to secure equal opportunities to all, favours to none. And to-day there are abundant signs that such a movement cannot long be delayed.—Yours, &c.,

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London, W.

LEWIS H. BERENS.

(To the Editor, LAND VALUES.)

DEAR SIR,—

As invited, I beg to contribute as a student of Economics an answer to the question put forward in your March number of LAND VALUES.

If the suggestion that wages could be raised by force was a true one, we should, I think, find the condition of the masses at the present day materially better. Economically we know a strike or other forceable methods cannot