

Economics for Workers

BY PETER T. LECKIE.

COMMODITY LABOR POWER.

LESSON 2.

CLAUSE 13 of the Peace Treaty is devoted to labor. We are told that labor is no longer to be looked upon as a commodity.

This no doubt was throwing a sop to the trade unionists in general who refuse to be treated as a commodity, much against their wishes.

This commodity (labor power) however is the most significant commodity on the capitalist market, i.e., the brain and muscle power of the workers, who have no other means of existence but the sale of their labor power to some master for a stipulated sum. What the laborer sells is not his labor but his labor power vested in his body. The laborer's body is the storage tank of his only marketable commodity.

This commodity labor power is bought by the capitalist for the purpose of being consumed by him.

The capitalist buys it at its market price, as he does all other commodities, and consumes it by putting it to work for his own benefit.

All other commodities are passive during consumption; labor power is active. They are either consumed individually as are food, clothing, shelter, luxuries, or productively as are raw materials, machinery, or labor power.

When consumed individually, the commodities pass entirely out of existence and with them passes their value. When consumed productively their value is transferred into the finished product, into which their substance passes or in the production of which their own substance wears away e.g., machinery.

But labor power has one quality, by which it differs from all other commodities. When it is consumed by the capitalist it does not merely produce other commodities, but reproduces itself. A part of its product passes into the hands of the capitalist, is taken to the market and sold, and the money received for it is used to buy new raw materials, machinery, labor power and pay the individual expenses of the capitalist.

That portion which is spent for the purchase of labor power passes into the hands of the laborer and is used by the laborer for the reproduction and conservation of his labor power. The laborer buys with his wages the necessities of life, builds up new labor power, and offers it again to the same or some other capitalist for renewed productive consumption. (In his earlier works Marx did not make the distinction between labor and labor power. In his "Poverty of Philosophy," and "Wage labor and Capital" it had the same double meaning which it has in classic economy. But in his great work "Capital" Marx made the distinction clear and used it as his basis of surplus value). Let us see how labor power functions in capitalist production.

The productive consumption of labor power in the factory, transforms the raw material and machinery which have their exchange value (through the labor embodied in their production), transferred into the finished commodity. All these materials, raw material, machinery, etc., form the constant capital of the capitalist. But this raw material, and machinery of itself is unproductive. It cannot either produce commodities or reproduce itself. It cannot create new values, it lies inert, until the labor power of the worker touches it with its creative force. In order to secure this labor power, the capitalist has to pay out wages to the laborer. The amount paid in wages represents the value of his labor power, in other words wages represent on the average what it costs to buy the necessities of life to produce his energy labor power, to maintain the standard of life and bring up his children to take his place when he dies off, under the prevailing conditions of any country or period of capitalism.

It is only the labor power of the laborer that can

conserve and transfer the value of the raw material and machinery into the finished product. The laborer through the application of his labor power creates new value. The value of the machinery and raw material is transferred and this constant capital reappears in the finished product. This is value which already existed before the laborer touched the elements of production. They have simply changed form. Formerly the value existed in the raw material; now they exist in the finished product. But we saw in our first lesson that the capitalist does not care to merely reproduce his constant capital; he is concerned about getting a surplus value. He buys labor power to create new values. These new values are created by the laborer applying his labor power. Labor power reproduces not only its own value but also a surplus value.

The aim of capitalism is not use values but surplus values. Surplus value is unpaid labor. Surplus value is produced because of the fact that the capitalist buys the use of labor power for a specified time, 8, 9, or 10 hours a day, whatever the case may be, and pays in return the value of labor power. Surplus value is that part of wealth which is produced after the value of labor power has been produced i.e., the difference between value of the means of production and labor power together and the value of the finished product.

Wages cannot rise as high as the total value produced under capitalism, because we have seen that the capitalist enters business solely to realize a surplus value. Wages appear on the surface to the worker as being fully paid or as the value of their labor, but they are really the value of the commodity labor power, i.e., the value of the means of subsistence under the prevailing conditions in any given country, and this value (labor power) varies when the means of subsistence vary.

The movement spreading all over the capitalist countries today to reduce wages, with the falling of prices as the excuse for the reduction, is proof. The New York Tribune's business summary, referring particularly to the garment manufacturing industry, says: "Although manufacturers are loath to discuss the subject, the feeling is spreading abroad that the next commodity to come down in price will be labor. Manufacturers still consider labor to be a commodity although certain high court dealings have been made to the contrary. Through the country there is a determined stand being made for the open shop, which it is felt will increase the efficiency of the individual worker."

In the Boston "New Bureau" we read: "State Commissioner Cole of Public Works, speaking before the Massachusetts Chamber of Commerce thus describes the increasing willingness of labor to do a full day's labor:

"Today I say to a workman (said an Italian foreman) you take that pick and dig or I'll smash your head. Before, when told to work the laborer replied 'you shut up or I'll smash your head.'" (Lit. Digest Nov. 30, 1920).

Some capitalists have a grasp of the worker's wages being his subsistence.

Mr. H. N. Barnes, director and general manager of a large departmental store, writing in the "Drapers Record," Feb. 1st 1918, said: "After all, the real crux of the matter is, the altered value of money. The exchange value of services is much the same as in pre-war days. 'A wage earner turns out a week's work in exchange for a weeks provisions, etc. The face value of the money he receives is of no consequence, it may be fifty or it may be five pounds but if it is only exchangeable for his weeks sustenance nothing really matters.' That is a good illustration of wages.

In the "Literary Digest" of Nov. 13th 1920, we have this: "Labor is beginning to underbid, and while we insist that labor is not a commodity and

that every man and woman who works in an organization is heart of the human stuff, a little competition is a wholesome thing."

Pro. Ely in "Evolution of Industrial Society," says: "The value of a day's wage cannot be represented in money. That is what the political economist calls nominal wage. The wage must be determined by considering the prices which the laborer has to pay for the necessities of life."

Labor no longer to be looked at as a commodity! The peace treaty might as well have said that a street car was no longer to be looked upon as a street car.

Because the chattel slave was bought, and there was no money wage, it seemed as if none of his labor was paid.

Because the serf worked for the lord of the manor part of the time, it seemed as if he was partly paid.

Because the wage slave gets wages for his labor power it seems as if he is fully paid, but he only gets his maintenance or, as Marx put it (Vol. III, p. 626 "Capital"). "The worker supports himself with necessities in order to maintain his labor power, just as coal and water are supplied to the steam engine and oil to its wheels."

Pro. Ely says: "The array of facts gathered from all countries confirms the conclusion that the standard of life determines the wages."

The world over, we find when it becomes necessary for the wife or the wife and children to work in factories, it very soon becomes necessary for them to do so to support the family. Professor E. W. Bemis has called attention to the fact that in the textile industries of Rhode Island and Eastern Connecticut where the women and children work, "the earnings of the entire family are no greater than in those trades where only the men work."

In the textile towns of England and Scotland the same conditions exist. If we could change the climatic conditions of Canada and live on rice we would soon have rice wages. Tell me where living is high and I will tell you where wages are high; or where living is low, there wages are low.

Let me give a few facts in support of the above statement. Rogers tells us during the 20 years of 1800-1820 in London, wages were higher than country wages, but then both were on the margin of existence. In a book, "A Criticism of Socialism in New Zealand," the writer gives a list of wages in Denver, U.S.A., and New Zealand, with the prices of necessities of life, house rents, etc., and concludes that wages are lower in New Zealand than in Denver, while living is higher in Denver. The only difference is that there is not the wide gulf between mechanic's wages and the laborers' wages in New Zealand as in Denver; this being a result of Australia's distance from the Old Country; unskilled labor was unable to pay the steamship passage, where America had a superabundance of unskilled labor with its European emigrants.

Gerber, "High Cost of Living" New York Book Co. 1915, (which is a book of confusion) gives us one very good illustration of wages: "Thus the Chinese workman's wages are regulated by his necessities and are extremely low. He gets 10 to 12 cents a day, with food 5 to 6 cents a day. Compared with their purchasing power it will be found that it is about the same as the purchasing power of the wages received by an American worker.

"For instance, the cost at a night inn is one cent in China; the same class of inn in America costs 25 cents. American laborers' wages at \$1.50 a day gives 6 night's lodging. The Chinaman can secure from 5 to 12 nights with his day's pay. Examine the various items, and, with few exceptions, there is a striking similarity between the purchasing power of a day's wage in each country, although the money difference received amounts to from 25 to 40