

# Economics and Mr. Cox

(By Robert Arch, from "Justice.")

(A reply to an opponent of Socialism. Read this carefully. Edit. R. F.)

There was a time when Mr. Harold Cox was considered the most brilliant of the intellectual opponents of Socialism. It must have been a very long time ago; for everything he writes nowadays produces on me, at least, a deepening impression of senile decay. An article contributed by him to the "Sunday Times" of August 3, entitled "How to Grow Poor," is about the lowest limit yet reached by any reputable controversialist on the subject.

"Socialist policy," Mr. Cox informs his readers, "contains two main ingredients: first, an attack on capital; secondly, a restriction of the output of labor." The attack on capital is based on the "untrue assertion, derived from Karl Marx, that the whole product of industry rightly belongs to the manual worker." The truth is, says Mr. Cox, that efficient means of production or capital, multiply the product of unaided labor a hundredfold or more, and therefore "in strict justice" the capitalist, who provides it, is entitled to the whole increased value due to this factor. That the capitalist does not actually get it all is due to the cheapening of capital by competition among investors. Socialism, by destroying the motives for accumulating capital, will drive the workman back on his unaided labor-power. The second ingredient of Socialist policy—viz., restriction of output—is hypocritically countenanced by "the more intellectual Socialists," although they appreciate its mischief, because they find it useful in their campaign against capital! It now has behind it Parliamentary authority in the shape of the Act re the restoration of pre-war trade practices. The result will be further reduction of output, for which we have to thank Socialism and the politicians. Such is Mr. Cox's statement.

## Some Falsehoods On Socialist Policy.

It will be noted that the statement begins with a falsehood—viz., that Socialism proceeds from an untrue assertion of Marx that the whole product of industry rightly belongs to the manual worker. This falsehood is probably not Mr. Cox's invention, since it has previously been put forward by Mr. Mallock and other writers, and is eagerly believed by ignorant members of the "educated" classes who have never read Marx. Marx made no such assertion. It was not his object, as an economist, to say how the product of industry ought to be apportioned, but to investigate how it was apportioned. Those people (very few, I fear) who have taken the trouble to read Marx's chapters on capitalist production, will remember passages in which he expressly points out the necessity, under organized industry, of classes of workers, other than manual, for the efficient direction of labor. This obvious fact was subsequently trotted out by Mr. Mallock, in a series of ponderous tomes, as if it was a brand-new discovery of his own, which all previous economists, including Marx, had ignorantly missed. The self-important Mallock tried to buttress his previous "discovery" by falsely attributing to Marx an assertion that all wealth was the exclusive product of manual labor, and ought therefore to be assigned exclusively to the manual laboring class. Mr. Cox may have copied this falsehood from Mr. Mallock.

Mr. Cox, however, is not concerned with the claims of the non-manual worker, but with those of the capitalist. He therefore puts forward the thesis, that, the bulk of wealth being due to improved means of production, it should "in strict justice" go to the provider of the means of production—the capitalist. He illustrates this by

comparing the product of a man cultivating a field with only a spade, and of a man cultivating a field with a plough and horses, or a motor-plough driven by petrol. He concludes that the difference belongs to the man who supplies the plough. Now this kind of sophism—the sophism which tries to lay down the portion of the product due to a particular factor by asking how much could be produced without it, and then assigning it the remainder—can be made to prove anything the demonstrator wishes. Mr. Mallock uses the same sophism to prove that two-thirds of modern wealth is due, not to manual labor, nor to the provider of means of production as such, but to "directive ability." I could match the two of them, if I chose, by proving that every atom of wealth is due to manual labor, and that directive ability and means of production add nothing, inasmuch as they would produce nothing without manual labor. Which of us is right?

## A Dialectical Juggler's Trick.

In truth, none. The whole thing is a dialectical juggler's trick. Every useful material thing, under modern conditions, is obviously a joint product, in making which human labor, mental and manual, has been assisted by natural and mechanical resources; and it is no more possible to isolate the single effect of each cause than it is to discover whether the barrel or the hole is the more essential part of a gun. Practically, however, economists are concerned with the distribution of wealth among human beings; and in assessing their claims, we confine our attention to the human factors in production, and ignore for the moment the causality of machines and so forth. Accordingly, we repeat that all wealth is produced by human effort or labor, and that all parts of the total product, paid to persons not contributing to that joint effort or labor, are necessarily deducted from the portion payable to labor. This is not metaphysics; it is mere commonsense.

"Oh! but," says Mr. Cox, "you have forgotten the man who supplies the means of production." A blessed word, "supplies!" Let us consider. Who does supply the means of production? The means of production consist of land, buildings, mines, machinery and the rest—useful material things, which, so far as they are not derived from Nature (like virgin soil,) are, like other wealth, joint products of human labor and natural and mechanical resources. The means of production, in short, are produced by labor just like other wealth; and the "man who supplies" them is the worker. But Mr. Cox, when he speaks of the "man who supplies" them, means the owner—a different person altogether. We are indebted to Mr. Cox for a new summary of capitalist economics. "Do not work—own. 'Supply,' the wise it call!"

## What the Capitalist Is "Morally" Entitled To.

"In strict justice," says Mr. Cox, "the capitalist who provides the instruments of production is morally entitled to the whole increased value which those instruments produce." I will not enter here on a digression as to the difference between value in use and value in exchange, but will take for granted that Mr. Cox means that the capitalist is entitled to all the increase of wealth due to modern mechanical invention, and leave it at that. Look at this proposition, comrades and friends: read, mark, learn and inwardly digest it—and laugh! In strict justice, and as a moral right, the capitalist class ought to have received the whole increase of wealth since, say, the beginning of the industrial revolution. The working class, in strict justice, ought to receive today the total they received in 1760, and not a tin-tack more. For the difference, look you, is due to the capitalists who "supply" the means of production; the workers have contributed nothing. Think

## INDIA

### Hindu Labor Politically Conscious.

The masses in India, and among the factory laborers, said Mr. B. P. Wadia, president of the Madras Labor Union, before the Joint Committee of the British Parliament, had a power of understanding political and economic issues. The Indian laborers loathed the idea of slavery in any form. There were, he said, some 17,515,000 workmen employed in industries, of whom 950,000 were in large establishments. There was an Indian Factories' Act, which was originally passed in 1881, and which was last amended in 1911. The law permitted 12 hours work a day. Women were worked 11 hours and children between the ages of nine and 14 were worked for six hours. Wages and sanitation were beyond human calculation.

### British Strangling Hindu Editors.

How the British strangle Hindu editors will be evidenced from the order served by the British magistrate on Mr. D. Shahbaz Akhgar, late editor of the "Punjabi," a daily published in Lahore, India. Mr. Akhgar was ordered to abstain from sending or receiving personally or through a third party, by post or by telegraph, or by hand or by any other means, direct or indirect, any written communication or other matter of like nature to or from any person whether within India or without, until such communication shall have been seen by the Deputy Commissioner of his district.

it out, and laugh! Or rather, don't laugh at Mr. Cox, but pity him and take warning; for this is what comes to prostituting a decent intellect to the service of an economic creed in which no one any longer believes whose range of information and intelligence exceed that of a Sunday journalist.

The capitalists, then, ought to receive this share of the national income. But they do not. It is a hard world, my masters! The capitalist is docked of his just reward. And why? Because "most people, as they begin to grow richer, save much of their money for the sake of their children or for their own use in old age. Those savings are invested, with the result that in normal times of peace, capital tends to grow cheaper, and thus the manual worker can obtain the use of mechanical instruments of production at an ever-diminishing cost." The capitalist class, condemned to cut-throat competition among themselves, are exploited and fleeced, while the bloated proletarian squanders his ill-gotten gains at Monte Carlo and other Continental sinks of vice!

### Economic Methods Exposed.

It would be difficult to compress a greater quantity of economic untruth into a single sentence than Mr. Cox has done in that quoted above. "Most people, as they begin to grow richer, save," etc. Most people don't, for the simple reason that they don't grow richer. That, owing to the operation of the system of property defended by Mr. Cox, is the privilege of the few. The result of saving, and the consequent "cheapening of capital," is, says he, that the worker obtains the use of instruments of production "at an ever-cheapening cost." It isn't. Mr. Cox is here forgetting the existence of two classes of capitalist—the money-lender or financier, who lives on interest, and the entrepreneur, who lives on profit. The entrepreneur, or actual owner of means of production—the employer, as we commonly call him—is the central figure of the economic process, and all analysis ought to start with him. The result of saving is not to enable the worker to gain cheaper access to the means of production, but to enable the employer to gain cheaper access to the means of exchange—a very different thing. But I defer further elucidation of this till next week.

(To Be Concluded.)