exchange value of labor power, then, is determined by the socially necessary labor involved in the production of those things that go to make up the laborer's living from day to day. And that is exactly what the workers get on the average, their living according to the prevalent standard. It is true that some of them get a little more than is actually necessary for them to live on, but on the other hand millions get less and are actually dying of slow starvation at their work.

Wages.

Wages are generally regarded as so much money. Two dollars a day or sixty a month. A closer examination shows two other aspects of wages before which the mere money wage dwindles into insignificance. These are the "real wage" and the "relative wage."

The relative wage is what the worker receives in comparison with what he produces. Owing to the improvements in the machinery of production the relative wage has fallen greatly during the last century and is continually becoming less. Under handicraft production the worker could produce not very much more than he consumed. Under modern machine production the worker produces far more than he consumes even if his standard of living has risen. Statistics show that the workers of the United States produce five times as much as they receive in wages on the average. That is to say that their relative wage is only 20 per cent. of their product. Which means that the surplus value, the profits of the master class, is now 80 per cent. of the wealth produced.

The Real Wage.

The real wage is what is bought with the money wage. The food, clothing, housing, etc., of the worker. It is what the workers actually receive in exchange for their labor power. While the money wage, the price of labor power may rise the real wage may at the same time be falling. Thus during the last decade, United States statistics show a rise in wages of some 20 per cent. and a rise in the cost of living of some 30 per cent. Here the money wage would be raised 20 per cent. but the real wage would have fallen 10 per cent., so that in place of receiving 20 per cent. more, the workers are actually receiving 10 per cent. less in exchange for their labor-power. A rise in prices, therefore, means to the worker, not so much a rise in his cost of living as a fall in the exchange-value of his labor-power, that is a reduction of the standard of living.

Price.

As the money wage has been referred to as the price of labor-power, a consideration of price itself would not be out of place. Price is the approximate monetary expression of the exchange value of a commodity. Money itself arises out of the inconveniences attendant upon the direct exchange, or barter, of one commodity for another. To overcome these in conveniences one commodity is chosen to which all other commodities are compared, and their exchange values are expressed in terms of this commodity.