

Ten Minutes' Talk With the Workers

COST AND PRICES.

If you look into the so-called "text books" of those modern writers on political economy who are interested in confusing the minds of working men on questions of economics you will observe one thing common to most of them, and that is the frequency in which they refer to Robinson Crusoe for illustrations. These continual references to Robinson Crusoe are often excused on the grounds of simplicity, i.e., a desire to borrow simple illustrations instead of resorting to ponderous scientific arguments. But you must not believe such is the case. The original use of the "Robinson" illustration may have been due to an inability to explain the historical beginnings of capital.

But since then a great deal of study has been given to the question of capital and its origin, as well as to its influence on modern society in general. So much so that references to Robinson Crusoe in modern books on political economy immediately raises suspicion in the minds of those who are familiar with the subject and disinterested in teaching it.

You will be wise therefore when asking questions or making inquiries to borrow illustrations from the workings of present-day society since you are likely to see things in their proper light and not get confused.

Cost a la Robinson Crusoe.

It would be foolish, for instance, if you wanted to know how the cost of the pipe you are smoking was made up to pick down your Robinson Crusoe from your bookshelf. The manner in which Crusoe set about to procure something like a pipe is entirely foreign to our modern factory system. Even so with the bread you eat. Compare, for example, the methods adopted by the imaginary Robinson with the huge machine bakeries of today and you will see at a glance how futile your attempts would be to get a clear understanding of what say: "cost" actually means by reading such an otherwise delightful novel. Nor would your understanding be any clearer were we to agree that "cost" represents "effort." To say that the "effort" to procure an article represents its "cost" appears indeed to be simple, but in reality it is presumptuous wordiness and gets nowhere.

Real Cost Defined.

For the moment you must not think in terms of money, since there is a big difference between the cost of an article and its price.

If you pick up the loaf, for example, which may be on your table for breakfast, and examine it, you may not notice anything very peculiar about it, but if you begin to ask yourself questions as to how that loaf came to be made and finally placed on your table, you will marvel at the enormous amount of human labor-power alone that must have been set in motion before that loaf was produced.

Not only have you to think of the vanman and the various distributing agencies for bread, or of the baker or other workers actually engaged in the productive process, but you have to think of the machinery and implements of the plant, the flour and auxiliary materials needed, as well as, finally, the factory proper itself.

If, for instance, the machinery is driven by steam, then the boiler for holding the steam has got to be fired, it may be, with coal. This coal is as much an element in reckoning up the cost of the bread as the baker who shapes it. And so all along the line. Thus we may define the cost of producing an article under three headings: First, the sum of the raw materials used up; secondly, the wear and tear of the machinery, implements, buildings, etc.; and, thirdly, the actual labor-power applied to or spent on, these first two factors.

How Price Is Made Up.

When the sum of all these factors is expressed in money we get the idea of price. Price is there-

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fore seen to be but the monetary expression of the cost of production of an article.

From this you may think that in paying a price for a loaf all the various factors, human and material, have received an equivalent or been duly compensated; in other words, that price and cost always represent the same thing. This, however, does not follow, as you may immediately grasp when we qualify the word "price" by saying "natural price" or "market price."

As you may have observed on going to market at this season, when there has been a big catch of fish, prices vary from day to day. The rise and fall of prices due to the supply and demand for an article give us the term "market price" as distinct from the actual cost of an article expressed in gold, which represents its natural price.

Another point worth noting here is this, that the price of an article is no indication of how the workers are paid, or whether for that matter they have been paid at all.

Capital and Cost.

Now this is where our penny-a-liner economists try to confuse you. They admit that the efforts of the man who sows the corn, of the man who reaps it, of the sailor who may transport it, of the miller who grinds it, of the baker who bakes it, or the vanman who delivers it—that the efforts of all these workers should be duly compensated. But what of the capitalist who owns the mill, the capitalist who owns the ships, the bakehouses, etc.? he cries. His legal right he assumes as unquestionable. But what is his economic right? Has the capitalist not abstained from spending all his "income?" And in investing his surplus income in the business is he not entitled to the wealth-creating powers of his capital?

But as we have seen in our previous talks, capital creates nothing. Its value is carried forward

into the new product, and is accordingly compensated for on the basis of equality in exchange, a principle so dear to our capitalistic apologists.

Not so long ago it was argued that "the divine right" of the capitalist as a property owner was a justification for his extortion of profit. Since, however, intelligent people no longer respect "the divine rights" of property any more than "the divine rights" of kings, it has become fashionable to rant about the "business capacity," "organizing ability," and all these other alleged qualities of our capitalists as a plea for their existence.

Services of the Capitalist.

There is no need to convince you as a worker about the qualifications of our capitalist. Every observant worker knows how these qualities are like the qualities of a Charlie Pease. They are the base qualities of the cheat, the fraud, and the "bester." To ask that the capitalist should be compensated on these grounds is to attempt to buy out or pension off all the professional crooks in society.

Where the capitalist actually renders any service in the labor process he is generally compensated under the heading of "directors' fees." There his wealth-creating efforts cease and find their expression in the price of the article. But "price" includes something else. It includes efforts put forward by the workers which is not paid for, since, if the workers got the natural price of their labor-power and the other factors were duly allowed for, there never could be a rich idle class.

It is out of the difference between the natural price of the workers' labor-power put into production and its market price that our parasitic capitalists are maintained. To repeat, then, the cost of production of an article is made up of the three factors—(1) raw materials, (2) wear and tear of implements, (3) actual labor (paid and unpaid.) When expressed in money that article is said to have a price. T. B.

YELLOW TERROR LET LOOSE IN SIBERIA.

"Overrun By Japanese With Consent of Allies." WORSE THAN UNDER TSAR.

(From the "Daily Herald," London.)

We have received a letter written by an Englishman in Harbin (Manchuria) to a relative in London, from which we publish the following striking passages:—

"Here in Siberia and in all places connected with the Siberian Government it is worse than in the time of the Tsar. People here are hung and shot simply for saying one word, and the worst of it is that we know that they would not have the power to do such things if it were not for the help that the Allies give them.

"Ninety per cent. of the bloodshed in this present civil war in Russia is due to the interference of the Allies, and the hatred against them is terrible. The Allied Governments told their nations that they came to Russia to make order in the land. Oh, my God, what an order they have made."

Japanese Village-Burners.

"They have put into power and are helping a Government that is worse than the old Tsar's. With the consent of the Allies, the Japanese have overrun Siberia, and are burning the villages and killing the people all over the place. The Yellow Terror has been let loose against the white races in Siberia.

"Meanwhile the Russian workers here are not sleeping. The old Nihilist terror is being revived. Bombs are already being thrown right and left, some successful, others not. Large bands of men have been formed; some of them are even led by women. They are infesting the steppes and forests of Siberia and are causing lots of damage by tearing up the railway lines and bridges.

TREAT ALL AS ENEMIES.

W. Lunn to Ask Churchill About Japanese Methods In Siberia.

Mr. W. Lunn, M.P., will ask the War Secretary today whether his attention has been called to a proclamation issued by the Japanese authorities in Siberia stating that, as it was impossible to distinguish between Bolsheviks and non-Bolsheviks, all armed bands operating against the Omsk Government were to be treated alike as Red Guards; and that any village whose inhabitants gave assistance to the enemy was to be burnt to the ground; and whether this method of terrorism employed by our Japanese Allies is approved by the representatives of the British Government in Siberia.

He will also ask concerning an order published by the Chief Officer of the General Staff in the Yenisei district, under the control of Admiral Kolchak, to the effect that commander of garrisons in that area are to consider the Bolshevik political prisoners in the various districts under their control as hostages; and that for every act of violence committed against the anti-Soviet Government three to twenty of these prisoners are to be shot.

JOIN BOLSHEVIKI.

Russian Troops Mutiny and Surrender the Town of Onega to Reds.

LONDON, July 24.—The government has received a dispatch from Major-General William E. Ironside, commander-in-chief of the Archangel front, stating that the Russian troops have mutinied and joined the Bolsheviks, handing over the town of Onega and the Onega front to the enemy. The latter also tried to take the railroad front, but were repulsed.