

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 inconveniences one commodity is chosen to which all other commodities are compared, and their exchange values are expressed in terms of this commodity.

The commodity chosen becomes in time segregated from all others and is looked upon as having a fixed value. Nevertheless it should be remembered that in reality it remains a com-