

Unionism Headed for Capitalism's Predicted Fate

Observer declares justice to Capital and Labor will save both, and, with them, civilization, as the victory of either will bring ruin—Marx's iron law of wages and the "Law of Increasing Misery" have been applied to Capital rather than the classes for whose welfare he propounded them.

Mr. Edward A. Bradford has contributed in The Annalist (New York) of June 9th, a thoughtful commentary on the present labor situation which is worthy of keen perusal by business men and wage earners. The larger aspects of the problem are here shown and the result must be justice to capital and labor else both perish. The article follows:

Wherever the cable goes it carries the same story of dissatisfied labor and unsatisfied labor demands. Only in details is there any difference in conditions between Berlin and Buenos Aires, Seattle and New York, England and the United States. Oddly enough the greatest disturbances of normal life are in the Christian nations, which have done most for labor. No nations have treated unions more liberally than Germany, England and the United States, but they are more in turmoil than the nations which have done the least; for example, China and Japan. On the day of the harbor strike in New York, the cable quoted Lloyd George as saying to representatives of capital and labor:

"Civilization, unless we try to save it, may be precipitated and shattered to atoms. It can be saved only by the triumph of justice and fair play to all classes alike. * * * Let the workers understand that where there is an increase of products they will get a fair share of it. * * * The employer must never again say: 'You are earning too much; your wages must come down.'"

Those who think such sentiments will solve the trouble between labor and capital are those who need instruction on the labor question. The present unrest is the fruit of many years' development of labor's theory that labor produces all and should take all. Labor has leaders who do not want a "fair share" of what they produce. It is no longer, with them, a question of keeping wages up. They want to control industry, and to be judges of their own demands. Seattle was placarded with this sentiment: "Take over the management of the shipyards yourselves; make the shipyards your own; make the jobs your own; decide the working conditions yourselves; decide your wages yourselves." That was the town where wages were, perhaps, the highest ever paid and where there was work only for unionists. In New York the harbor workers' demands were arbitrated and arbitrated again and the second award gave more offense than the first.

The charitable view that such incidents as now disturb Christendom are due to ignorance of economics is just the opposite of the truth. Labor is well instructed in its own economics and is undertaking to teach the world. It is well that the world should understand this for there lies ahead a crisis either for capital or labor. Justice to both will save both and, with them, civilization. But the triumph of either will ruin both and, with them, civilization. As the current is running, unionism is headed for the catastrophe in which Marx predicted capitalism would culminate. It is a case of "sartor resastus" with a vengeance.

Marx predicted that the iron law of wages and the working of the "law of increasing misery" would culminate in such an economic debacle that capitalism would give way to socialism. The iron law of wages was that labor under capitalism receives only bare subsistence wages, but produces a surplus called profit, appropriated by capital. Workmen have received, within the last few months, the highest wages ever known, many manual laborers earning more than their superintendents. The law of increasing misery was that profit would absorb wages to such an extent that the

rich would possess the earth and the poor would have the right only to starve. When the poor were so miserable that they no longer could work capitalism would collapse for lack of existence of wage earners who could be exploited. It is known to all that these predictions have been falsified by the event to a degree which covers the socialist theory with ridicule. The iron law of wages and the law of increasing misery are subjects for bitter jesting. The classes for whose welfare Marx propounded his theories are approaching the same climax which Marx predicted for capitalism, and for the same reason.

To make this clear it is necessary to recall Marx's formula on which his "laws" were based. According to Marx the cycle of the production of goods should be "c-m-c." In this formula "c" stands for commodities, "m" stands for money, and there is significance in the printing of all the letters in the same style of type. The meaning of the formula is that in normal production workers produce commodities, exchange them for money, and with the money procure other commodities for use. At each stage the exchange is of equal value, and nobody is enriched or impoverished. Commodities should be produced only for consumption, and neither for profit nor loss. Consequently there never should be either overproduction or underconsumption, for there would be no inducement for either.

The capitalist formula, according to Marx, is "m-s-M," and there is significance in the capitalized "M." Capitalists invest "m" for the production of "c," and then exchange "c" for "M," that is, for a larger amount in money than the cycle began with. The growth of "m" into "M" stands for the exploitation of labor by capital, according to the iron law of wages and the law of increasing misery. Nobody could have too much "M." Some want it to spend in unlimited "c." Misers and profiteers want "M" in letters of ever increasing size and blackness. The more they have of it the more they can command of the labor of others. As the "have nots" phrase it, the "haves" can live by "owning" without earning; that is, can live on the income from investments, doing no more work than collecting coupons. "M" constantly tends to increase, for it is not consumed, and is bequeathed, and those who inherit can command the labor of others without giving an equivalent of their own labor. Thus, there is no equality of opportunity, and the "have nots" are as much the serfs of the "haves" as the villeins who were attached to the feudal manors, and were sold with the soil.

The time is now ripe for proposing another formula, the converse of the principle from which Marx drew "m-c-M." It might be put thus, "w" standing for wages—"w-c-W." The final "W" should be very big and black, for it stands for the collapse of perverted unionism through the working of the law by which the wage earners exploit the wage-paying class or capitalists. It is clear that "W" can never be large enough to satisfy those who would limit it only by their own power to demand its enlargement, at least as clear as that "M" could never be large enough for the same reason. The more of either "M" or "W," the more satisfactions of wants of any sort. "W" can either be spent or hoarded as well as "M," and the more possessed the more is wasted, according to the law of the increasing misery of the capitalists instead of the workers and the iron law of interest, corresponding to the iron law of wages.

The most careless reader of the news knows how the facts support the formula, but it is hidden from the Russian Bolsheviks, and from their cousins-German, the British trade unionists. Recently there was published an interview with Lenine, and his words, as cabled to The New York World, were: "What the capitalist rulers do not understand is that they have no way of solving the economic problems which are piling up after the war. Failure to solve them will surely