called "labor" was really labor power. It was this labor power, the ability and capacity for work, which the capitalist bought and paid for.

Labor power *in use* was labor. Therefore, if in the expenditure of labor power, twelve hours of labor resulted, but only six were required to produce the commodities that labor power needed for its continued existence, then the extra six hours went to the capitalist. The capitalist received these extra hours, or *surplus value,* not because he added anything to the value of the commodity, (labor is the only source of value), but because of his *ownership* of the means of production. This ownership came about through a natural historical and revolutionary development.

The classical economists could not resolve this contradiction because, justifying profit, rent and interest, the component parts of surplus value, they could not picture the latter as being wrongfully taken from the working class.

Thus, for the socialists, wages become the price of labor power,** and not of labor. Wages represent payment in money for that part of the working day in which the worker needs to produce enough commodities to take care of himself and his family. The worker gets paid for only a portion of the working day, but since wages are called the "price of labor," it appears as if the worker is getting paid for a full day.

What could be more fair or just than that in eight hours the worker should receive eight hours pay? If the workers were told, or came to find out for themselves, that they were getting only four hours pay for eight hours of work, they would condemn the capitalists as "thieves." Wages and the term "price of labor," therefore hide the real nature of exploitation of the worker by the capitalist.

**Thus, like all prices, wages are determined basically by the conditions of the labor market, by the law of supply and demand. Unions which form a monopoly of labor power, state intervention such as minimum wages, wage control, etc. prove this law, rather than discount it.

That is the reason Hazlitt finds it convenient to talk about the "worth of labor,"; and in one place he even says that labor at times is able to sell itself above "the real market worth of its services." (p. 127).

Capitalism today is not that of the beginning of the industrial revolution. Now it is sterile instead of fertile, reactionary instead of revolutionary. Spouting free enterprise, and each day moving towards state-controlled industry; complaining about the "crutches" of government aid and subsidy, and unwilling and unable to throw the crutches away — and walk alone. Therefore, unlike the classical economists, the economists of the capitalist press and schools and pulpits do not seek basic, scientific analyses, taking into account all factors, and letting truth fall where it may. No, bourgeois economists today must first of all be apologists, justifiers of appearances, and proclaimers of the doctrine that "all is for the best in this best of possible worlds."

MORE ADO

We are not yet done with Hazlitt. In his preface, he says that he hopes "no one will be disappointed at the absence of such names as . . . Karl Marx . . . and others in these pages." Yet, on the subject of wages, he so distorts Marx that we cannot afford not to answer him. Incidentally, all these bourgeois writers swear up and down that Marxian economics is a crackpot theory. In the end, their whole work is *nothing* but attempts to discredit Marx. It can truly be said that economics today falls into two main categories: anti-Marx (bourgeois) or Marxian (socialist).

Hazlitt writes: "Both of these groups, (the Marxists and their unconscious disciples, the purchasing power school) leave to cruder minds the question whether existing wages are 'fair.' The real question, they insist, is whether or not they will work. And the only wages that will work, they tell us, the only wages that will prevent an imminent economic crash are wages that will enable 'to buy back the product it creates.'"

In other words, the Marxists state, quoting Hazlitt, that the trouble with capitalism is that it does not pay the workers enough wages to buy what they produce. From this we can conclude that Hazlitt never got past the title page of the first volume of *Capital.* All three volumes of *Capital,* all the writings of Marx and Engels are devoted to proving this one point; that capitalism CANNOT function except by taking a surplus from the workers. This surplus forms the profit, the capital by which the capitalist remains in business, expands his plants, and competes with other capitalists. This extraction of surplus value from the worker is the motivating force of capitalist society, whether it be so-called private capitalism, or state capitalism. In order to gain this surplus value, the capitalist must ALWAYS pay the worker a small portion of what he creates.

Marxian economists do not demand that the capitalists pay the workers back the full product of their labor. The socialists demand the abolition of the capitalist system, and do not make demands on it which they know can only be granted by capitalism abolishing itself — something it won't do. This demand that the capitalist pay the workers sufficient wages to buy back the product of their labor is the demand of the purchasing power school, to which, as Hazlitt correctly states, belong the union economists, among others. This school, in spite of its seeming "radicalism," is part and parcel of bourgeois economics. It assumes the *necessity* of a profit-motive society, supports it, and yet expects and demands that under it the workers be paid enough to buy back what they produce. These social reformers demand justice, where there is only room for injustice.

We emphasize this distinction just made between the Marxists and the purchasing power school economists because many so-called socialists have brought grist to Hazlitt's mill by stating that the trouble with capitalism is that under it the workers receive insufficient wages to buy back what they produce. The scientific socialists, on the contrary, say that the difficulty with capitalism is capitalism itself. Instead of demanding the reformers' solution of creating more purchasing power for the workers, the socialists demond the removal of the cause of lack of puruchasing power, the existence of capitalism, itself, which gives the worker in wages just enough for him and his family to live on, and pockets the rest for the capitalist class, as profit, rent, and interest.

Indeed, *Economics in One Lesson* is a "masterful expose," as the *World Telegram* reviewed it. It is a masterful expose of the senility of bourgeois economics, of the extent to which they must distort Marx in order to cover up the ever-recurring crises, the growing lines of unemployed, and the threat of another war.

No wonder this book went through six edition, and now this one. In time of darkening shadows, a good whistler is always in demand.

KARL FREDERICK

IN NEW ZEALAND, TOO!

On one farm in South Canterbury there are 7000 sacks of first-class table potatoes, none of which will be eaten. All will be "dumped" to rot, and only the sacks saved.

This statement was made today by an Aucklander just returned from South Canterbury, who said also: "There are other farms in the same district with far more potatoes than this one, and this is only one of many potato-growing districts in the South Island, where it is said not 20 per cent of the potatoes have been sold — this after having been through the heavy costs of preparation of the land, planting, manuring, working the crop during the growing period, digging and grading, cost of sacks (now 3/4 each), pitting and covering with straw, holding for some six months, and then regrading again to pick out only unsound ones.

The final fate of many thousands of tons, in fact the bulk of the South Island crop, is to be dumped out to rot.

The Auckland New Zealand Star, 10/26/48.