

Editorial: The Mistake Repeated

The abstract, furnished to the press, of the Connecticut Bureau of Labor Statistics for 1891 states that the manufacturing statistics presented forty lines of industry, having an invested capital of \$134,652,000, producing goods valued at \$159,888,000, and affording employment in productive labor to 90,850 people, to whom \$39,500,000 were paid in wages during the year; this thirty-nine and a half millions, the report states, is 27.06 per cent. of the cost of the goods manufactured, the value of stock and material being 60.37 per cent. of the cost; and that on the output there was a net profit of \$13,716,000, *which is 10.18 per cent. on the capital employed.*

Here we have the repetition of a favorite capitalist fallacy.

It is counting double, treble and even more, to charge the “value of stock and material” to cost. The whole stock, i.e., the machinery, building, etc., is not used up in one year; only a comparatively small percentage is. That percentage is a legitimate element of computation in the cost of the goods, and it does appear in their price. The bulk of the non-consumed plant is an illegitimate element in the computation of cost. It is, however, thrown in regularly. Capitalism will strive to raise in figures, as much {as} it tries to diminish in fact, the cost of production; by so doing it conceals the real magnitude of its profits, and it then claims as in this case, that its “net profit on the output” is a paltry 10.18 per cent., while the wages paid to labor are “more than double”, to wit 27.06 per cent. If only the real output in material and the actual wear and tear of the plant are figured up, then the relative shares that fall to capital and labor would be found to be in a ratio the reverse of that which appears in this report—the net profits of the capitalist would be found to be double the actual wages paid.

When that day will finally come when our Bureau of

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Labor Statistics will insist upon ascertaining these facts and publishing them in their reports, it is hard to tell. By the looks of things, they are either unable or unwilling to fulfill this duty by the public in general, and the working class in particular.

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