

# DAILY PEOPLE

VOL. 10, NO. 57.

NEW YORK, THURSDAY, AUGUST 26, 1909.

ONE CENT.

EDITORIAL

## NECESSITIES GOING HIGHER.

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**T**HE “business men” of the land are in a fix. The prices of goods are going higher and higher still. These rise, not because the “business men” are greedy, but because these gentlemen cannot help themselves.

The price of goods depends primarily upon their value. Perturbing causes may push prices up, for a time, above the value of the goods, or push prices down below their value. In the long run “prices” coincide with “value.” The thing to do is to ascertain the law of value.

When a yard of cloth, a pair of shoes, or a hat, is exchanged under normal conditions for a certain amount of money, the transaction discloses the fact that the amount of labor-power crystallized in the cloth, the shoes, or the hat is the same as the amount of labor-power crystallized in the gold for which it is exchanged. The value of goods is determined by the labor-power they contain, and which is socially requisite for their reproduction. The cloth, the shoes, the hat are paid for with the gold; and vice-versa, the gold is paid for with the cloth, the shoes or the hat that respectively contain the same measure of labor-power. In short, the price of the cloth, the shoes, or the hat indicates simultaneously the value of the goods that are exchanged—the cloth, or the shoes, or the hat, with the gold.

Now, then, the production of goods generally, including necessities, has increased and is increasing at rapid rate. The larger the production of goods in a given time the smaller must be the amount of labor-power that they contain; hence, proportionately lower must be their value. From this it would seem to follow that prices should drop, and that, if prices do not drop, it happens because the business man is “greedy.” And the conclusion would be correct but for one important fact—THE FACT THAT THE PRODUCTION OF GOLD HAS RELATIVELY

INCREASED AT A FAR MORE RAPID RATIO THAN THAT OF OTHER COMMODITIES.

Since 1894 the production of gold has more than doubled. In the United States alone the increase, with the single exception of one year, has been steady and by tall jumps. It rose from 1,910,813 fine ounces, in 1894, to 4,374,287 fine ounces in 1907; or, within the same period, from \$39,500,000 to \$90,435,700. As to the world's gold out-put, it has risen from 7,329,861 fine ounces, in 1893, to 19,361,864 in 1906; or, within the same period, from \$151,521,700 in 1893, to \$400,218,000 in 1906. And the end is not yet: on the contrary.

This means that, such are the improved natural and mechanical facilities for the production of gold, that it now requires much less labor-power to produce a given quantity of gold, hence that there is now less labor-power crystallized in gold,—consequently that the value of gold has gone down. Considering, moreover, that—differently from all other goods, which are consumed in use, and must be replaced by fresh production,—with gold, only a fraction is “consumed,” in arts and sciences and luxuries, while the bulk, or nearly the bulk, remains in the shape of coin or bullion; considering this fact in connection with the above figures, and the conclusion is obvious:—the value of the gold, that once exchanged for the cloth, the hat, or the shoes, has sunk lower than the increased production of the cloth, the hat, or the shoes, has lowered their value. As with these commodities, so with practically all others.

Hence the rise of prices is peremptory, not a case of “greed.”

The “business men” are aware of this. In demanding higher prices they know they but bow to an imperative economic law. Why, then, their fix? Why Monetary Commissions, sitting during the dog-days behind closed doors, and fretting in secret? Simply because they dare not admit the fact. Why not?

To admit the facts in the case would compel the “business men” to confess to Socialist economics, with the further consequence of being stripped of their sundry pretexts for not paying higher wages, and of being forced to pay for their labor power with the higher price that the depreciation of gold directs. Against such a consummation all the class instincts of the capitalist rise in revolt.

Thus, lest he forfeit the least particle of his “divine prerogative” as an EXPLOITER of the proletariat in the shop, the capitalist is compelled to face the outcry of GREED, unjustly hurled at him as an arbitrary raiser of prices.

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