

EDITORIAL

MONOPOLY AND WAGES.

By DANIEL DE LEON

A WARREN, PA., correspondent asks: "If the law of exchange value does not operate where monopoly controls commodities, how could an industrial economic organization of labor raise wages?"

The language of the question justifies the inference that our correspondent has got beyond the error of believing that higher wages compel higher prices, hence can do the wage earner no practical good; and that he has grasped the economic fact that higher wages only compel lower profits, and that when higher wages are neutralized by higher prices, thus doing no good to the wage earners, the phenomenon unerringly points to a defective economic organization, such as A.F. of L.-ism. The inference that our correspondent has grasped these economic principles is furthermore justified by the circumstance that he refers approvingly to the article "Wage and Price" which appeared in the *Daily People* of last September 6 (*Weekly* of the 16th).

So holding, our correspondent's question may, for the sake of clearness, be recast in the following mold: "At the competitive stage of production the law of exchange value operates in full force. Therefore, at that stage, it is clear that a correctly built, that is, a class-conscious economic organization, in other words, Industrial Unionism, would prevent higher wages from being neutralized by higher prices. It is otherwise when monopoly controls. When monopoly controls, the law of exchange value does not operate. How, under such circumstances, could Industrial Unionism prevent higher wages from being neutralized by higher prices, or raise wages?"

The term "Monopoly" is frequently used in two different senses.

One sense in which "Monopoly" is use is the strict sense. "Monopoly," used in this sense, means absolute "Monopoly." "Monopoly," used in this sense, defines that

stage of production in which all competition is out of question.

The other sense in which “Monopoly” is used is a loose sense. “Monopoly,” used in this sense, means relative “Monopoly.” Used in this sense, “Monopoly” defines that stage of production in which the circle of potential competitors is narrowed to such an extent that the large majority of the masses is barred out.

Absolute “Monopoly” is the conception of a state of things that, while it does not exist to-day, may come about sometime. Absolute “Monopoly” is, therefore, a theoretical projection into the future. It means Autocracy and Absolutism, restored on the economic field after their overthrow on the political field of feudalism.

Relative “Monopoly” is the conception of a state of things that exists to-day—the state of things of potential competition, not infrequently seen asserting itself, within the narrowed circle in which large production is now carried on.

To sum up—absolute “Monopoly” implies the end of capitalist economic laws; relative “Monopoly” implies the continuation of these laws.

Should capitalism preserve its integrity long enough to mature unto the now purely theoretical stage of absolute “Monopoly,” then will it have overthrown, by having outgrown, the laws of capital. Then, indeed, no economic organization could raise wages. The day for the open economic organization, will then have departed, along with the open political organization of opposition. Absolutism brooks not, because it denies, the belligerency of opposition. To Absolutism all opposition is treason. It would not meet higher wages with the dodge of higher prices. Absolutism would meet the bare demand for higher wages with imprisonment, drum-head courts-martial, and summary executions. That posture calls for methods other than Industrial Unionism, which organizes and unifies the ruled, hence, the “opposition,” element of society, into the over-and-above political and economic organizations of their class.

But the day of absolute “Monopoly” has not yet dawned. That it ever will is unlikely. The possibility of its ever dawning is a concession to abstract theory. In the meantime, we have capitalism with all its economic laws in vigor, and what is, if anything, more to the point, ripening to such a stage of relative “Monopoly” that itself furnishes the economic mold for the organizations that alone can cope with it, because they alone are the engine capable of eventually dealing the final blow of the

revolutionary act.

Relative “Monopoly,” that is, the “Monopoly” known to-day, not only could not prevent, it, in fact, points the path—Industrial Unionism—for the securing of actually higher wages, not the mock higher wages that a Civic-Federationized and Militia-of-Christized system of DISorganization jollies the workers withal.

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