HISTORICAL TREND OF CAPITAL ACCUMULATION AND WAGES

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1. FROM LABOR POWER VALUE TO LABOR POWER PRICE

Wages is, needless to say, a historical phenomenon. The price of labor, wage rate, is the completed form of wages or pay in reward for labor. The price of labor is a form of bourgeois equity in wages. Wages, at the same time, based on an extra-historical content such as a laborer's consumption fund or necessary labor, is three-dimensional on plural phases in structure — value and market price of a labor power commodity, and labor price. Wages is a historical process, too, beginning from the making of the value of a labor power commodity at the base and leading to the making of a simple form of labor price at the top. The price of labor, completed its form in the simple shape of a piece-rate pay, further transforms itself into a visional being, reacting on the value of labor power. The next is on the above-mentioned formation and transformation of a three-dimensional structure of wages with the advance of capital accumulation.

The most essential dimension or phase of the wage phenomenon is labor power value. It is the value of a labor power commodity. A laborer's consumption fund or a realization form of necessary labor, in capitalistic production, is classified into this value. And this value is reduced to the value of various living method commodities. In an existent laborer's life the value of living methods appears in a price form of them. As value transfers into price, the value of a labor power commodity transfers into necessary living expenses. As to the necessary living expenses, necessary labor has already taken the form of price. It cannot be said, however, that at this point the value of labor power changed into the price of a labor power commodity.

First of all, it is not possible to fix the price of labor power, which is available only to the use value of labor power, without performing an average labor power and its average utilization. For instance, the price of rice is applicable to the use value of rice itself; therefore, rice, however different it is in the realization of use value — utility, such as both the first and the second dish of rice, should be the same in price. Secondly, the quality and quantity of a necessary living means or the sphere of a necessary desire and the way to satisfy it should be well balanced by something average, which should be free privately and be hardly grasped directly socially, because a life in a narrow sense is developed dispersedly within the limit of an individual laborer's family. In this sense, the amount of necessary living expenses is not always equal to the price of labor power. It is the price of labor power that appears as something to compel both an employer and a laborer to pay a certain amount of labor expenses and a certain amount of living expenses respectively, concealing at the back an average amount of labor expenses and an average amount of necessary living expenses.

Historically, the price of labor power was fixed when it overcame both the precapitalistic piece wages which was to be determined sliding together with the price of a product, and the precapitalistic "Unterhaltslohn" which included a one-sided living control. The piece wages, sliding together with the product price, fixes the ratio of labor expenses to other production expenses, by linking both advantages and disadvantages of the fluctuating market directly with wages and by estimating a price appropriate to the degree of realization of labor not from the price of labor power but from the sales of products; therefore, the original market for a labor power commodity has not been completed yet. "Unterhaltslohn," a part of the medieval fair price system, is far from ensuring a free life privately, even admitting an ordinary life suitable to one's status. It is necessary for the price of labor power to be fixed that a necessary living expenses have been something uncalculable to an employer but measurable only through the market. Arbitrated wages by Justice of the Peace in England in the Middle Ages, too, may be regarded as representing a development of "Unterhaltslohn." It can be said that the value of labor power has taken the phenomenal form of its own for the first time when the price of labor power overcame the two and was decided and fixed in the labor market. Necessary labor is not incorporated organically into the price system as a new system of economic calculation until the price of labor power, as a form, is fixed; it means that to an individual capitalist the sum of expenses per unit labor power is a given amount, while to an individual wage earner, the sum of living expenses for his own free use is a given amount.

Of course, an antagonism between necessary labor and surplus labor, which penetrated through this system of labor power price, makes it difficult to overcome an antagonism between capital and labor concerning the rate of surplus labor. This antagonism is, however, melted into a competition in the labor market (and the market for commodities of necessary living means) and a struggle between capital and labor takes the form of competition; consequently social stability is secured.

In discussing a developed labor policy, we often refer, as a standard of wage decision, to living expenses, solvency, and neighbouring market price. These three factors should not be stood in a line, at least, in considering not wages as a link of fair prices, but market wages as a link of competitive prices. We would rather say that the neighbouring market price constitutes the standard wages decided as an impersonal market price manipulated by the invisible hand of the God, concealing both living expenses (necessary living expenses) and solvency (labor expenses to ensure profits) behind it.

In the price of labor power, too, as one of prices, the law of indifference works. Generally speaking, commodities are confronted with one another, each only as a commodity; therefore, one owner of a commodity is related with another owner of another commodity, other properties of the commodity owner being all abstracted; thus a seller sells a commodity to the heightest bidder and similarly a buyer buys a commodity from anyone offering at the lowest price, from which follows the law of indifference as an inevitable consequence. As to the price of a labor power commodity, the same thing can be said. The labor market concerning the sale of labor power liquidizes the relation between capitalists and wage earners exactly like the relation between sellers and bidders, which results in equalizing the price of labor power.

The price of labor power adjusts the social allocation of labor power — the labor power allocation by industries, occupations and places of business. It has a close resemblance to the price mechanism which acts on social production in general. Imagine that enough competition exists in the product market. For simplification, we take up value price. Suppose an average labor power and an equal physiological expense of labor power, then we can equalize prices of labor power according to the law of indifference. But it does not directly mean an equal labor expense as the cost of a product. Depending on a difference in various production conditions of departments and on the degree of divergence in a balance between a social demand and a capital allocation among departments, even the same amount of physiological expenses of labor power, too, indicates an unequal amount of abstract human labor, which comes to produce unequal value products. In a high-profit department, they try to draw labor power temporarily with relatively high wages, while in a low-profit department, they try to discharge labor power or reduce wages temporarily. The better the law of indifference works, the smaller and the more temporal wage difference stimulate a change in social allocation of labor forces and a rise in productivity by social gross capital.

In the case in which a competition among capitals is not merely for an inflow and an outflow of labor power among departments but for an acquisition of a special surplus value and a selection of small and weak capitals, a competition among capitals for securing labor power results in a raise in price of labor power along a supply curve rising with increasing price; on the contrary, a reduction in demand for labor power owing to the abolition of surplus capital lowers the price of labor power along the same supply curve. The whole rise and decline in labor power by an equal amount price of labor power stimulates the selection of inferior capital in the former, and minimizes the sacrifice of survivable capital in the latter, which adjusts a structual change in social production on the basis of a high-profit capital with a high standard of productivity.

Once the price of labor is fixed, an individual capitalist has to project his management regarding the fixed price of labor power as a given amount and similarly an individual wage earner has to project his life in a narrow sense looking on it as a given amount. At the back of "freedom of business" to a capitalist, we can see a strong tendency of a wage earner's "indifference of labor contents."

Well, from the law of indifference in the above meaning, it would seem too formal to say that it is the market where this law controls and that various paralleled markets exist where various prices stand side by side. Depending on this way of thinking, no perfect market exists. The market is living, and includes a variety of frictional factors; it should absorb and conquer, more or less, a friction with various prices, showing a strong tendency toward the law of indifference. A comparison of A. Marshall with L. Walras concerning which of the two bases their ideas on the real condition discloses that it is A. Marshall who converts even a friction into price, equalizing "net profits," rather than L. Walras, who insists on a complete competition, the law of indifference, and no difference in rate. Here lies the problem of a difference factor in labor power price, which has been discussed since A. Smith.

Five factors A. Smith refers to are a pleasant and uncomfortable feeling for occupation, difficulty to acquire occupation, stability of occupation, large and small credit on a worker, and large and small possibility of success in occupation. As the labor market enlarges, some more factors are added to them, such as provincialities of necessary living expenses, unequal division of labor power value, and so on. Some of them are directly founded on a difference in labor power value, and others on a realization condition of the use value of labor power. We may as well take provincialities of necessary living expenses as an example of the former, and the pleasant and the uncomfortable feeling for occupation and stability of occupation as the latter. If a friction repressed by a price difference in the labor market is absorbable into an adjusted price in the product market, a difference in labor power price would be stable; but, on the contrary, if a thus absorbing friction in the product market does not function effectively, all possible efforts to abolish a friction itself in the labor market would be wasted. There will be a change in structure of division of labor in the balance of division of labor of both sexes, and in the regional allocation of productive power; consequently some occupation comes to be rationalized in the process of training, whereas another occupation, becomes useless.

The price of labor power can melt an antagonism between capital and labor concerning surplus labor and necessary labor into the form of a competition in the market, but the market price of labor power, as exposed to daily fluctuations, heightens a tension between capital and labor in regard to the value and the price of labor power, too. Value, not a fixed feedstuff like "Unterhaltslohn," may result in being realized fully or insufficiently. Laborers begin to defend their lives according to the law of competition in the market. In other words, they avoid a useless competition among sellers as much as they can from a commercial standpoint; instead, they try to set one bidder against another. Thus, a strike comes to be involved into it; a strike is not a riot, but a series of market behaviors for laborers themselves. The existence of a friction in the labor market is helpful for a wage earner to change a balance between demand and supply of labor power, at least, within a partial market, advantageously to them. A competition in the product market, however, constantly stimulates a capitalist to a further effort to remove a friction from the labor market. Meanwhile, wage earners have to reconstruct a destroyed unity into a much wider unity. Wage earners, making efforts to magnify unity to the whole labor market, proceed back and forth with the movement of capital accumulation and concentration aimed at monopolizing the market through competitions.

2. FROM LABOR POWER PRICE TO LABOR PRICE

The price of labor, wage rate, is determined by one more transformation of the day price of labor power based on the day value of labor power into the price of day labor. The price of labor power is standing upon the use value of labor power, which is realizable only by labor itself, the expenditure of labor power. There is a foundation for the establishment of labor price in the after-labor wage payment method, which aims to avoid a capitalist's personal predominance as a buyer over a wage earner and to place some responsibility to realize labor power on a wage earner himself. The relation between the use value and the commodity value of labor power is established more directly. That is the relation between a certain amount of money and a certain expenditure of labor power; it is the wage rate. Behind the wage rate as the price of labor, the rate of surplus value is latent. Suppose m/v is the rate of surplus value, then the value-product is $v+m$ and the price rate of day labor is the approximate value rate of $v/(v+m)$. In contrast to the value of labor as an unreal concept, the price of labor is an inevitable phenomenal form of labor power value.

The price of day labor is the figure obtained by dividing the day price of labor power by an average day expenditure of labor power. Assuming a denominator and a numerator, the wage rate is then provided. The wage rate, once provided, makes it possible for an individual laborer to increase his (or her) wage earning, the amount of labor power price realized. A competition among wage earners destroys a balance under the control of the law of indifference in labor power price; the reconstructing of a new balance under the control of the law of indifference in labor price becomes acute from a competition at the market in a narrow sense to a competition in the production field and to a competition in the field of labor power expenditure. To an capitalist, the stabilizing of the rate of surplus value is ensured due to the stabilized wage rate. To a laborer, on the assumption of an equal wage rate, there is an appearance of payment according to labor within a certain limit.

To the extent that as far as a stable labor price is maintained, such a price seems a payment according to labor and it secures a parallel increase in price of labor power and in labor productivity. The labor price, however, would rather assume the price of labor power and an average expenditure of labor power. Furthermore, since it is a rate of surplus value that lies behind labor price and that it is connected from m/v to $m/(v+m)$ and to $1-v/(v+m)$, a decrease in labor price is desirable for an increase in rate of surplus value. In addition, day labor is measurable only as physiologically expended labor power, but it is the quantity of abstract human labor that forms the foundation of rate of surplus value. Hence, the following happens: A whole increase in labor power expenditure by the hand of a laborer directly increases an average quantity of expenditure of labor power as a denominator of the experimental foundation of labor price; on the other hand, it indirectly decreases the day price of labor power as a numerator through a keen competition in the labor market, which consequently stimulates a decrease in wage rate. Also in the case in which the physiological quantity of expenditure of labor power increases more than an increase in quantity of abstract human labor, a capitalist has to face the devaluation of wage rate for maintaining the rate of surplus value more positively. That is why labor price has no long-term stability.

The simplest form of labor price is a day rate wage. Price is there set not on work but on labor. It relies on an employer's decision to make a laborer demonstrate what kind of concrete useful labor he can offer. A clear reason why the day rate wage belongs also to labor price is that the day rate wages has overcome the system, which makes a contract of wage payment for future labor for the coming several months or all through the year and reduces wages according to non-working days like a fine. It is, in other words, the method of conversion from punishing a wage earner for non-working days into paying wages for his work. Simple day rate wages is imperfect as labor price because of a changeable working day in length and a different labor quantity expended in the same working day. The way adopted to make them more perfect is the evolution of day rate wages to payment by the hour and the introduction of disparity by individuals in a unit cost of day rate wages. But an evolution to payment by the hour requires an intensified superintendence toward an average expenditure of labor power, while a disparity by individuals in daily wages requires a strict examination of labor ability. This superintendence and examination may be a stimulus to a conflict between capital and labor, and may cancel a labor incentive effect of labor price.

Labor price has completed itself in piece rate wages rather higher than in day rate wages. Labor power expenditure is measured by piecework assuming a standard quality. Piece rate wages resembles more to the payment according to the quantity of social necessary labor than daily wages does and the piece rate wages is more advantageous to ensure a certain rate of surplus value than day rate wages is. To laborers, in the sense that they are paid wages according to the effect of concrete useful labor, labor price and labor productivity go side by side and an appearance of the payment according to labor is much more stabilized, too. Evolution from equal price of labor power to equal rate of piecework makes it possible to construct a sensitive correspondence of quantity of labor expenditure to a disparity of the same person's every day wages or to a disparity of each person's wage earnings. Hence, wage earners begin to compete with others in labor expenditure for an increase in amount of take-home wages.

The rate of piece work wages apparently has something in common with piece price concerning contract work. But piece rate wages is applicable to a wage earner, who, attached to production means controlled by a capitalist is adding and solidifying abstract human labor to a capitalist's production means; the wage earner is thus merely demanded to expend social average labor as a condition necessary for the realization of the day price of his labor power. Therefore, a great machinery industry has been established and has spread with the enlargement of the labor field, which is subject to cooperation of a large number of laborers, engaged in the same kind of working machinery; so, piece rate wages can also spread. The narrower the possibility of surplus value production by the extension of a working day becomes and the more important an increase in labor intensity becomes within a certain length of a working day, the more piece rate wages spreads wide. But the same rate of piece work is applicable only to a group of wage earners, who are expending the same concrete useful labor at the same kind of working machinery; therefore to those who are expending the other concrete useful labor at the other kind of working machinery, another piece rate cannot help being established. The width of an application sphere has to be sacrificed in compensation for the premise that the measurement of the quantity of social average labor by the piece rate makes it more precise to measure the quantity of abstract human labor than the measure by the day rate. This sacrifice is, however, compensated enough if more capital is accumulated and the cooperation at the same working machinery magnifies.

The essential content of a labor price form is a stable security of a certain amount of surplus value; in that case, labor means abstract human labor. But from a point of view of an appearance of "the payment according to labor" which resulted from the labor price form, labor in this case is concrete useful labor and labor productivity is its effect. In order that the appearance of "the payment according to labor" is maintained and a strong incentive is kept working to labor power expenditure, it is necessary to stabilize and fix, above all, the wage rate itself. The appearance is, however, baffled by the essence. Generally, the value of a commodity is proportioned to the quantity of abstract human labor which is objected in a commodity, and is inversely proportional to the productivity of its labor. The quantity of use value, as a body of a commodity, of course, increases with an increase in labor productivity. Well, in regard to a labor power commodity, its value and use value make a separate movement and do not make a parallel change, laying a base on some wage rate. An increase in labor productivity reduces the value of a necessary living means commodity that is, the value of a labor power commodity. Also an increase in labor productivity in the sense of an increases in effect of concrete useful labor, increases the quantity of producing use value, but does not increase the quantity of abstract human labor. An increase in labor productivity changes the value relation, which is supporting piece work wages at the back. The day price of labor power provided for a numerator tends to decrease, as affected by a decrease in value. An average labor power expenditure for a denominator has to be represented by larger piece work. The wage rate cannot help decreasing. Of course, in competition, the appearance of "the payment according to labor" is likely to continue to exist temporarily in the form of the occurrence of special surplus value for capital and its allocation to some of laborers. But, if a keen competition lowers the social value of products and, at last, has an influence upon price, the ratio of labor expenses cannot help rising in order to maintain the previous wage rate. The relative surplus value production due to devaluation of a piece work unit cost cannot help being pursued sooner or later.

Wage earners whose imagination of "the payment according to labor" is disturbed owing to devaluation of a piece work wage rate, cannot help turning their interest from a labor power expenditure to a wage rate. And their interest turns to a systematic go-slow strike and a systematic labor market behavior for raising the wage rate. Exhaustion of labor incentive effects means a crisis of the form of labor price itself.

3. TRANSFIGURATION OF LABOR PRICE

On the opportunity of devaluation of a piece work wage rate, especially rate cutting, and the systematic sabotage as a counter-behavior, investigations of wage payment forms have developed to find a way out of a crisis in the price of labor. Through these investigations of the wage payment forms, the price of labor has largely transfigured, which comes to react upon the price of labor power, responding to the progress of capital accumulation and concentration. Two ways are suggested to conquer the crisis in the price of labor : one is payment by efficiency, and the other is job evaluation.

The former should be distinguished from simple piece rate wages, first in establishing a task and secondly in premium plans. Concerning at first task wages, standard work finds itself within a standard working day, which is a minimum unit, never divided into smaller calculation units and into smaller wage rates such as simple piece rate wages or a payment by the hour. The length of a standard working day chiefly depends on the resistance of wage earners against the combination of a low wage rate and a long working day and on the cultivation of a better understanding about the rational use of a labor power commodity. This standard has become gradually rigid from a social point of view. Meanwhile, the standard quantity of piece work is gradually established socially on the base of the resistance of wage earners against the combination of low piece rate wages and an excessive labor intensity, and of the adequate recognition of a rational use of a labor power commodity. A task consequent upon the combination of the two standards has become rigid after the reaffirmation of the above-mentioned "scientifically." A task is now not an achievable one to an average laborer even though fixing the appropriate price of labor ; on the contrary, it becomes an absolute standard to be achieved by every laborer. On the one hand, a punitive low wage rate appears to be applied to a case of low efficiency, and on the other hand, the day rate wages presupposing the ordinary attainment of that task appears. In those conditions labor incentive roles of labor price degrade. Now that the progress of capital accumulation, of cooperation within a workshop and of density of division of labor, has been hightened and the average expenditure of an individual's labor power has been especially demanded of and the mobile power of production shifts from a laborer to a mechanical organization, it has been much more inevitable to establish a task.

Next, let us see a premium plan for a high efficiency. Efficiency is defined by piece work per hour. Timewages, ensuring efficiency outside of the form of the price of labor, makes good use of the relation in which an hourly increase results in an increase in piece work. Meanwhile, piece-ratewages, putting time out of consideration, makes such good use of the payment relation in which piece work shows the quantity of expended labor. by efficiency makes efficiency itself correspond to the amount of wage earnings. Since labor equipments become huge, laborers are expected to make good use of the hours within a limit of the prescribed operating hours. An increase in piece work consequent upon the extension of operating hours does not always bring about an increase in labor productivity. Both in Halsey plan and in Rowan plan, efficiency is estimated especially in economy of the hour per piece work, the meaning of which is, therefore, apprehensible here.

As to the premium under this efficiency, according to Halsey plan, a premium rate itself is up to 1/2 or 1/3 of a wage rate in simple piece rate wages, while according to Rowan plan, there is a maximum in the total amount of the premium. The purpose of such an idea is to stabilize the effect of a labor stimulus in the labor price form by delaying as late as possible the occurrence of the circumstances in which devaluation of a wage rate is needed, but labor price has been already changed into an unequal one, seeing that the wage rate of a task is quantitatively different from the rate of the premium, which should be paid in the case of a more increased productivity than a normal efficiency. Inequality in labor price is, however, clearest in Taylor's different piece rate wages plan. The rate of the premium as a discounted wage rate, with the development of productivity to accompany a highly advanced organic composition of capital, accommodates to the circumstances in which the direct participation of a laborer in rise of labor productivity is cut down and is reduced mainly to those concerning labor intensification; labor productivity as a whole appears more clearly as the productivity of capital. Labor is, in this sense, knocked down by the price. Although simple piece rate wages involves the rate of surplus value, it cannot be stable but for a condition of a fixed social value of products. It is, however, not a realistic condition to fix the social value of product for a long time. It is necessary to attain a combination of a rise in amount of wages of a laborer with a fall in wage cost per product. It is also noticeable that the premium plan begins to make wages, as the price of labor power, and takes on the distribution form of value of products by attaining this combination within a certain limit. "Within a certain limit" means the extent that the development of labor productivity ensures a special surplus value to a capital concerned or that a difference in speed of capital accumulation ensures a special profit to a department concerned. As far as they are concerned, labor power price in the labor market and product price in the product market are both involved in the form of labor price within an individual capital, which tries to distribute the increased labor productivity partly to a laborer's high wages, partly to a profit increase owing to a fall in labor cost, and partly to depreciation of prices of products. This relation, of course, cannot help being leveled by a competition between labor and product markets all the time, but will be maintainable firmly for a long time if unity among wage earners is so strong that monopolistic capital has to buy off an internal contradiction between capital and labor.

Evaluated job wages is established on the historical assumption of the crisis in the price of labor as follows: Accumulation of capital, produces such a large workshop as equal piece rate wages can be applied to; on the other hand, it produces within each individual capital the direct cooperation and division of labor of laborers in various types of occupations who have worked in quarantine from one another before coming in the market. There, a difference in wage rate by types of occupations through the labor market causes dissatisfaction among laborers who have to work in cooperation with one another. Through the development of capital accumulation, a full cooperation spreads among laborers; on the contrary, a reduction and a diminishment would rather take place in the expenditure of the same concrete useful labor at the same working machinery and in the application of the same wage rate to laborers; consequently, formation of a finer division of labor is promoted: Then, a competition comes to have a more important meaning to laborers in places where they are subjected to different wage rates than in the places where they are subjected to the same wage rate; those different wage rates cause a disaffection more strongly with laborers to whom the same wage rate is not applied. As a result, reexaminations begin concerning the way to rationalize a difference in wage rate.

Thus, evaluated job wages is a great system of wage rates which is realized by analyzing a slight difference in a variety of concrete useful labor, founded by the fine division of the labor system, and by leading a difference in quality of this various kinds of labor to a difference in quantity of various wage rates. Labor price, purified in simple piece rate wages, was that which established an equal wage rate in the field of certain concrete useful labor. But here, in job wages, labor price establishes various different wage rates to different kinds of concrete useful labor. In the days that various tasks are fixed to various kinds of concrete useful labor, an equal wage rate per hour is not established to equal labor, but different wages is established to different kinds of labor. Wage earners, divided into each different kind of labor, are conditioned rather to compete with one another for a position than to unite in an equal wage rate.

Various wage rates in evaluated job wages, different wages to different kinds of labor as mentioned above, are ostensibly insistent on equal wages to equal labor. The problems among various fields where individual labor price can be established, are taken into just the field of labor price. A difference in labor power price, established in the labor market, takes the form of labor price and is situated as a difference in quantity of labor expended. And huge individual capital, trying to absorb a part of the labor market into itself, connects wage differentials in the form of job wages within a rank system to maintain both the huge division of labor and a cooperation system taken into capital; consequently a difference in wage rate comes to represent ranks they hold. A stimulus of wage differentials to reallocation of labor power within individual capital is taken into the stimulus of promotion like a stepping-stone. Nevertheless, now that individual capital cannot absorb the labor market fully, a fluctuation in labor power price at the labor market continues to vibrate the whole of this wage rate system all the time.

A tendency to take the market price of labor power into the formation of labor price, latent in Halsey plan, blooms in value-added sharing plans, such as Rucker plan, Scanlon plan, and so on. Labor power price corresponds to a degree of value realization of commodity capital in individual capital there. As the result, the amount of wages becomes proportionate to "value-added productivity" in individual capital and, therefore, the wage rate is substituted by the distribution rate. Toward a group of wage earners organized into cooperation, "value-added productivity" determines the total amount of wages, which comes to be distributed to each laborer according to a job wage system. The surplus value rate, lying behind labor price, is represented in distribution of "value-added", a more direct expression than a result of concrete useful labor in simple piece rate wages, and so on. This is a reappearance of the early sliding scale system that forced a burden of the fluctuation degree of commodity value realization of products upon wage earners, too, in the sense that the total amount of wage payment is decided after the realization of social value in the market, but this would be adaptable and stable to some extent under the condition in which capital with monopolistic power stiffens product price and a controlled inflation (a smooth and systematic reduction of the price standard) supports a phenomenon of stability of product price in disregard of an increase in labor productivity. The value-added sharing plan in this stage is not, of course, the same as the early piece wages which was slid into product prices and is not absolutely stable. It includes, as an element, ordinary wages, guaranteed wages for one year, and so on. And a competition among capitals fluctuates surplus value rates, that is, a distribution rate of "value-added," and even the purpose of a controlled inflation is by no means to be an increase in social productivity with an increase in nominal gross national product and to accord a change in real wages with that of nominal wages. But it cannot be denied that there is a strong tendency to wrap labor power price in the form of labor price.

4. TRANSFIGURATION OF LABOR POWER PRICE

Along with the transformation of labor power price into labor price, compensations and allowances become to be specialized as secondary wages. When day rate wages is established by overcoming the form which combined a long-term employment contract with the deduction of non-working days, in other words, when the system changes from wage deduction like a fine to daily wages that pays only for actually working days, employers have to inevitably compensate for the suspension of operations not responsible to laborers at all. This is, so to speak, a payment for unrealizable labor power. It can be said as one of labor power price, but a very specialized one. In case of sickness, on the contrary, the method changes from deduction of medical expenses out of the contracted amount of wages, to a payment of a sickness allowance. It is different from the price in use value of living and medical expenses for specific sick laborers; it can be said by no means as one of labor power price individually. The sickness allowance will, of course, make up for a part of necessary living expenses, but will not be regarded as a labor power value transformed into one of labor power price. When labor price is transformed into piece rate wages, guaranteed minimum earnings come to be established by a divergence between labor power and its realization, which seems to suggest a compensation for labor power unrealized on the average.

With an increase in number of laborers organized into cooperation by individual capital along with the development of capital accumulation, labor power price, on the one hand, becomes average and indifferent more relatively separated from each laborer's concrete life; on the other hand, a consideration has been promoted toward the content of necessary living expenses according to various attributes of laborers. Labor power price differentials, not difference in amount paid according to distinction in use value of labor power, such as a family allowance, a house allowance, and so on, have developed as allowances, distinguishing themselves from a fundamental wage rate. Similarly, as capital concentration develops, an increase has been made in payment of such necessary living expenses as are prescribed from the outskirts within the limit of individual capital, namely, welfare facilities, such as a company house, a dormitory, a nursery school, medical facilities, athletic and recreational facilities, and so on. This sort of allowance remarkably damages an important character of labor power price, although they are surely a part of gross labor expenses to individual capital as well as a part of necessary living means to laborers integrated into individual capital.

The progress of a trade union among wage earners is a factor to transform labor power price, too. Unity like the trade union will, within the limit of its influence, weaken action of a competition and carry control into labor power price. Unity like the trade union is a direct negation of a price competition at the inside of unity. But since it, of course, assumes a competition and aims to act in the competition, the result of competitive action has to be, to the limit of not disadvantageous relation with capitalists, taken fairly in advance among laborers at the inside of the trade union and further continuously receive competitive action from the outside of the boundary of unity like the trade union. Unity can no more conquer a competition than monopoly can conquer a free competition; it is more than that. Within a capital or among a capital, the absolute decision-making way backed by economic power has been opened, but, at the inside of a labor class, fundamentally no decision-making way exists, except a true agreement and a moralistic authority. Deviate from this way tends immediately to lead to violence.

Anyway, agreed wages, however, makes elasticity of labor power price small to a buyer's change in quantity of demand. Labor power price becomes just a given condition to individual capital. Individual capital competes mutually at the product market, whereas it stimulates a competition among laborers by the development of a labor price form. From the inside of this movement, the aforementioned transfiguration of labor price happens, but concerning the price of a product, a monopolistic price is established, too. Under the stage of this capital concentration, collectively agreed wages comes to be organized into a link of a monopolistic price system, too. Namely, such wages is stood for a high cost price of a high product price, high agreed wages as its part; a low cost price of a low product price, and low agreed wages as its part. Agreed wages, in the case of weak unity of labor, comes to have this difference in structure; in the case of strong unity, it is not so high a rate and a wage drift is added to it. Agreed wages which is to take a levelling action of a competition in advance always has a risk of being divided by a difference in solvency. This should be called some transfiguration of labor power price as the market price, too. If it is possible to divide the market price of labor power effectively, huge capital can make a practical application of both the controlled inflation and the resultant distribution method stable.

If unity like the trade union is not divided, wages drifts; some time later, wages reacts as a rise in agreed wage rate. Provided that unity like the trade union interacts for the supplying side in the labor market, the wage market is affected by relative high wages. The price of a product happens to rise in proportion to a rise in cost price of it, and then a systematic devaluation of the standard of price is accelerated by a supply of money capital which ratified the rise in product price. For all of the controlled inflation it has not aimed at an agreement between an increase in social productivity and nominal gross national product, and at an agreement between changes in both real and nominal wages. The acceleration of inflation can be said to be a reappearance of a wage crisis on the scale of the entire labor market, represented by a devaluation of the piece wage rate. A struggle of trade unions for high wages becomes everlasting. A control of a wage struggle itself becomes to be pursued.

On the assumption that unity like the trade union has developed up to the general federation at the national level, a control of a wage struggle by means of unity is original with late incomes policy as a kind of wage control. Its main point is an agreement on the amount of produced national income and an agreement on the rate of its distribution. Through their consent given to the amount of national income and the negotiation of its distribution, laborers are easily induced to give their approval to the capitalistic organization of social labor. In incomes policy to the extent that the distribution of products finishes, reacting upon neither the organization of social labor itself nor the distribution of means of production, no substantial danger comes about to capitalistic production. And if incomes policy prevents inflation inevitably caused by high wages at a department with a high productivity from exerting the same effect as the previous rate cutting did, incomes policy is rather effective to capitalistic production than is dangerous. Nevertheless, as far as unity like the trade union does not lose its real nature, incomes policy affords an opportunity of collective bargaining on a national scale, and consequently increases the quantity of information necessary for achieving an agreement and the matter must not be left only to confirm the result of social labor. A more deeper investigation is called for into various combinations of quality and quantity of final products from the viewpoint of people and into the production method to realize their combinations rationally, consequently, a supervision over enterprises is strengthened to realize the production method. What information thrown in advance into the process of consciousness of wage earners, the main force of the nation, so as to achieve a national agreement becomes high in quality and large in quantity, suggests the advance of a substantial crisis to the capitalistic form of social production. This constitutes the problem of the alternative of political reaction or political democracy.

In the theme of transfiguration of labor power price, in addition to a change in labor power price itself, a possibility should be included concerning an increase in rate of the part which does not take the form of labor power price in necessary labor or necessary products. There are what we call a social consumption fund or social wages. Here I dare not to expound it, as it has been mentioned in my previous article.*

Finally, let me add some prospects for distribution disciplines according to labor and its proper form, relating them to the aforementioned in this chapter. Well, a material stimulus to labor seems in general, almost ultra-historical, seeing that the purpose of labor is a product as a result as well as labor itself. This is, however, the concept with a far wide extension, of course, as compared with a labor stimulus by wages and even with distribution according to labor. It is because distribution according to labor means a labor stimulus through the products distribution to individual laborers. Distribution according to labor is the problem mainly of distribution to individuals of a necessary living method, and so distribution of production means constitutes another problem. Socialistic production should be different from capitalistic production rather in the way of a control over surplus products than in distribution of a necessary living method according to labor. Laborers, by the power of unity, control production by controlling surplus products and the distribution of production means. Necessary products are distributed mainly according to labor. In spite of the cancellation of the class living on the power of private property, everything will not be distributed according to labor with increasing importance in the social form of a consumption fund, with which products are distributed by special demands in need. This has already sprouted even in capitalistic societies. Distribution according to labor can be regarded, in the society based on the social management of surplus products, as those which combined the form necessary for a material stimulus to labor with the form of a social consideration to necessary products.

Distribution according to labor seems to compose the following system: The first is a wage level according to national income. A real wage standard improves corresponding to the development of social productivity. There

* S. Aramata, Contents and Form of Labor Power Value, HOKUDAI ECONOMIC PAPERS, Vol. VIII, 1978–79.

develops a laborer's life as the main aim of social production, a combination of final products, and a laborer's real participation in choosing various ways to achieve this combination. The second is a premium corresponding to records of performance of an individual industry. It stimulates a more efficient production method. The third is job wages established in a social scale, namely, a wage rate system by jobs. It stimulates a laborer to engage himself (or herself) in a job suitable for a labor process with a higher productivity. But fond preservation of such a labor field as destroys labor power and its compensation by the amount of wages is retrogradation; not only wage differentials but also cooperation and occupational transfers as a result of the development of a workshop group of laborers must be pursued. The fourth is labor price in a narrow sense; here, the transformation from piece rate wages to wages by the hour will be promoted in a long run, too.

By the development of social productivity tied with the development of measuring a social desire, a human society will approach the state in which necessities are prepared as much as needed, and pursuing a continuously developing a social desire. The state in which consumption means are abundant cannot be such a state in which the human society is crushed by excessive products. Also, because the direction of human development cannot be estimated perfectly by human beings themselves, a shortage will always exists in the foremost part of a new desire, but the shortage in that part will show a tendency to converge into the pain of creation on a condition in which a bureaucracy's control over a life is avoided and a creative development of human labor power is sought. On the one hand, distribution according to need in the form of social security, and so on, in capitalistic production comes to satisfy its necessity much more; even concerning distribution according to labor, distribution according to needs comes to be involved in the sense of satisfying a desire more sufficiently. Social products, after all, need social labor; even in such a society in which the content of value prescription does not take the form of commodity value, some means of social calculation cannot help continuing to remain. Laborers cannot but measure and adjust the quantity of their own consumption of necessary living means by the calculation means. But when social psychology, that makes a negative estimation to the development of worldly desires separated from human activities, is strengthened, and also when a material stimulus to labor is relieved relatively from the enjoyment of the result and a labor becomes to be stimulated by itself, sundry forms of distribution according to labor will mostly lose their meanings.