

On Labor Day

Perhaps Labor Day would best be celebrated by recognizing the source of wage labor: *capitalism*. Economist George Reisman had it correct when he wrote that few people could survive by selling products. Many more people survive by selling their labor. Before capitalists entered the scene, people either survived on subsistence or by earning profits by selling their own products. Capitalism, rather than impoverishing wage earners, made it possible for earning wages by selling labor to exist at all. The Marxists were wrong; capitalists did not invent profits, they invented wages, and thus invented the Middle Class, lifting billions out of poverty. And that's today's two cents.