

## Re: Labor theory of cost

---

*Source:* <http://sci.tech--archive.net/Archive/sci.econ/2007-05/msg00317.html>

---

- *From:* "Michael L. Coburn" <[mikcob@xxxxxxxxxxx](mailto:mikcob@xxxxxxxxxxx)>
  - *Date:* Sat, 26 May 2007 08:08:06 -0700
- 

On Sat, 26 May 2007 12:22:16 +0000, Edmund Esterbauer wrote:

Cost under your definition is still subjective because it is derived from the value an individual attaches to the effort of providing that labour whether or not you assume land is free. Or to put it slightly differently, labour results from human action and is therefore subjectively measured by each individual. The value of the price paid to produce the good is called cost. Cost is equal to the value attached to the satisfaction that must be foregone in order to produce the good.

Well.... You have launched the attack exactly as I anticipated. We will see where we go from here. Unlike the word "value" which in its stand alone form has all sorts of wild subjectiveness the word cost is a little more contained. In this case we speak not of the "value" of labor but in the aristocratic view of such value. This cost/value is well documented in aggregates and in per capita statistics. It is not subject to the whim and fancy of an individual laborer/worker or even an individual neoeconomist/aristocrat. Regardless of what the aristocrat or the laborer might think about it the statistics provide an objective measurement of the "value" of labor. And that is, in fact, an objective view of COST from the 20K foot level where it actually matters.

"Michael L. Coburn" <[mikcob@xxxxxxxxxxx](mailto:mikcob@xxxxxxxxxxx)> wrote in message [news:pan.2007.05.24.22.19.45.497276@xxxxxxxxxxxxxxxx](mailto:news:pan.2007.05.24.22.19.45.497276@xxxxxxxxxxxxxxxx)

I have given up on ever actually communicating with utility freaks about the real value theory as opposed to the Marx Communist Manifesto. So I have decided to take a different approach to the problem:

It is axiomatic that natural resources have NO COST. The stuff simply exists. The abbreviation for natural resource is "land". Now then: I will define something here called "goods" and I will say that all "goods" (as distinct from "land") are a product of land and labor (labor of course is human effort). If land is free, i.e. it has no cost,

## Re: Labor theory of cost

then the total cost of any "good" is the labor expended in its creation. This observation holds true for ALL goods, whether we speak of capital goods, durable goods, or consumable goods, or red, green, purple, orange, tall, short, or fat goods. So if the cost of "capital" (i.e. capital goods) is the labor expended in the creation of same, and it certainly seems that this would be true, then the cost of every thing that will ever be, other than land (which we have agreed has no cost), is therefore the sum of labor expended in creation. And while the neoeconomist may screech that value is subjective, we find that cost isn't. Cost is anywhere and everywhere the labor to produce that which is desired.

--

"I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education." – Thomas Jefferson  
<http://GreaterVoice.org>

.