

'Wage Robbery' - or 'How Profit is made'

Karl Marx, great revolutionary and fighter who lived in the last century discovered what is known in political-economy as "SURPLUS VALUE." Marx's theory of surplus value lays bare the exact relationship between CAPITAL and LABOR. It demonstrates precisely how, in capitalist society, the exploitation of the worker by the capitalist takes place.

The capitalist on the one hand, owns the means of production — the factories, the machines, the land, the mines, the ships etc.

The worker on the other hand, owns none of the means of production. He does however possess just one commodity which is necessary to the production process. He has his labor power — and it is all he has to sell. And sell it he must if he is to live, maintain his family and thus provide a new supply of laborers.

The question is — What is the value of this commodity, labor power, which the worker must sell in order to live?

Marx showed that the value of labor power was determined in exactly the same way as the value of any other commodity — i.e. by the "socially (average) necessary quantity of labor embodied in its production."

The value of the commodity, labor power, is determined by the quantity of labor necessary for the maintenance of the ability of the laborer to work. Thus, if he is to be able to keep working through a day and keep going again tomorrow he needs a certain minimum of food, clothing and shelter for himself and his family. (By keeping his family he is also ensuring the future supply of laborers for the capitalists). His wages are thus determined. This is the PRICE he is paid for his labor power or its "value" expressed in terms of money.

But then, if the worker is paid for his labor power ACCORDING TO ITS FULL VALUE, how then does the boss make a profit? This is a key question.

The capitalist hires the worker for a definite time — say 8 hours. According to the circumstances, it may take only 4 hours (maybe 3 or 6) for the worker to produce value equivalent to that of his labor power. But for the remaining 4 hours the boss has the use of that labor power which continues

to produce value. This is known as SURPLUS VALUE. The labor power expended during this period is NOT PAID FOR — it is "unpaid labor."

The employer "owns" the product of the workers labor, including his "unpaid labor." By seizing this "surplus value" the capitalist builds up his wealth — which is really unearned income. This is the crux of capitalist exploitation.

It is why TIME is so important to the boss — why he will always try to speed up the worker, extend the length of the working day, ignore safety and health regulations.

The following diagram illustrates — to some extent how this wage robbery takes place. This is "HOW PROFIT IS MADE."

8 HOUR DAY



4 hours wages

4 hours surplus value i.e. unpaid labor time

9 HOUR DAY



4 hours wages

5 hours unpaid labor

8 HOUR DAY



3 hours wages

5 hours unpaid labor

(Working day the same productivity increased.)

Finally quote two brilliant thoughts of Marx "Now and then the workers are victorious, but only for a time. The real fruit of the battle lies, not in the immediate results, but in the ever expanding union of workers"

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and

... "Instead of the conservative motto: "A fair days pay for a fair day's work the workers ought to inscribe on their banner the revolutionary watchword "Abolition of the wages system."

WHERE ARE WE GOING?

This issue of Unity carries some important material concerning the struggle for socialism. Many people today say that socialism is something for the far distant future and is not worth worrying about at the moment.

Others say that socialism is out of date, and all those people who are talking about a new image for the Labor party stress this proposition.

The point is that the conditions for socialism are being developed by the concentration of production under monopoly capitalism. Today the whole productive process is social, that is the masses of the people are involved in it and the Government more and more has to take a direct part in the production process. Of course, it does this on behalf of monopoly and not on behalf of the people.

But, nevertheless, the Government is becoming further involved despite promises to the contrary by Menzies and others.

So on the one hand we have a clearly defined system of social production and on the other hand a narrowing of the ownership of the means of production by local and foreign monopoly, particularly U.S. monopoly.

We must all understand this contradiction, otherwise we will have no direction, no ultimate purpose in our struggles.

We can and must struggle for wage increases and for better conditions but this is only a part of the struggle and not the main part. The main part of the struggle is to bring a political understanding to the working people of the nature of the contradiction we have discussed above.

If we do this we will gradually mobilize the working class to go further than the wages struggle, and take the road of changing monopoly capitalist system altogether.

The capitalist class is in control of the State apparatus. This is the instrument by which the capitalist class maintains its dominant position. The capitalist class exploits the working class and to survive against competition within its ranks, and externally from overseas, it must intensify its exploitation of the working people.

Is this borne out in life? It is. We have had over a half century of arbitration and yet the cold hard fact is that wages levels are not meeting the cost of living.

It is common knowledge that a family today keeps itself afloat mainly because more than one person is working. In those families where there is only one bread winner things are very tough. There is a general feeling amongst the working class that something is radically wrong, not only with society but with the methods by which the workers have struggled to preserve their standard of living. The times demand a reappraisal of the whole struggle its aims and its method of organisation. The dog-chasing-its-tail circus which has been going on for many years has to be ended.

The working class in the post war years has worked hard. It has raised productive levels to record heights. There are new techniques of production being introduced. It is clear that if society was organised to make life easier for the people, life in Australia would be rich and abundant.

Instead we are compelled to work hard and to be paid less, in terms of real value of money.

The capitalist economic system only works in the interest of the employing class. The big monopoly concerns are making record profits. The owners of monopoly industry live a life of luxury. We need and must work for a system of society where the people are the ones that count and not just a few who live on the toil and sweat of others. Socialism is the answer. But we cannot just raise the slogan of socialism and expect it to fall into our lap.

It can only be won through fierce class struggle, a struggle that embraces all sections of the people. At the head of this struggle we stand, the working class because we are the best organised and we are face to face with the employer every day. We lead the people, therefore it is important that we know where we are going. We have great responsibility.

This journal from now on will continue discussions on the theory of socialism. Only if we understand the theory of socialism will we be able to work and fight for it. Socialism is not a dream. It is a necessity. A necessity which springs from the very organisation of production which is before our eyes, and which causes as endless misery and trouble.