An Economic Interpretation of the Job

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Introduction

In the following pages the reader must be aware that, wherever a worker's activity has been selected for the purpose of illustration, both the worker and his process typify the working class and social production; for the exploitation of wage labor is the exploitation of one class by another class—the working class by the capitalist class—and is not necessarily the exploitation of the individual worker by his employer. Unless we understand this the class struggle is only a meaningless phrase.

The Interdependence of Labor

When in this booklet a worker or a working group is referred to, as producing some article or commodity, it is necessary to understand that such reference is merely to illustrate a point. Production of any article is impossible to any worker under the capitalist arrangement of industry; the simplest article as well as the most complicated machine is the product of the entire working class. From the sulphur match to the aggregate of the world's commodities there cannot be eliminated any classification of labor, and have the match, or the world's wealth.

We say of the miner that he produces coal, of the baker that he produces bread, but such is not the case. They assist each other in the production of coal and bread and are at the same time dependent upon the balance of the workers for their equipment and materials. Before the miner goes down into the earth his fellow workers in every line of human endeavor have cooperatively labored to supply him with house, food, furniture, clothing, tools, powder, etc.; so that in the mining of coal all of the workers assist him. They do not go to the coal-face, but he could not go there without them. The mining of coal is therefore a social function.
in which all the workers participate. What the miner does is to perform the last social act necessary to transform the natural deposit into usable shape. But the coal is not yet produced—coal is not mined to be used by the miners, it is intended to warm some home or furnish power to some industry—other workers follow the miner to complete production of the coal. For no commodity is produced until it reaches the purchaser who consumes it. Only when this has happened is the objective which inspired its production attained—the satisfaction of an individual or social need.

The Miner, a Typical Illustration Only

The miner has been used for illustration here, but you can substitute for him the farmer, logger, Sawyer, bricklayer, teamster, etc., and no matter which of these you select a study of his activities will show that he works in conjunction with and cannot function without the balance of the working class. Capitalist industry has so organized the workers that their mutual interdependence is its outstanding feature. There is no independence for either the individual or the group. As a class they labor and produce; as a class they are exploited, and as a class they must organize, and through a class organization only will they be enabled to achieve any betterment in the present or emancipation finally.

DEPARTMENT OF EDUCATION.
A. W. I. U. No. 110
CHAPTER I.

Labor Power

If you are a wage working man or woman, your life is conditioned upon having access to a job; you must establish yourself as an employee to some employer.

To establish this relationship you must possess something which the employer requires in the business in which he is engaged. You have—the power to produce wealth—labor power. It is the only thing you have, but it is an essential factor in industry. In fact all capitalist industry is predicated upon the existence of men and women like you who have no other way to live, except by offering their life energy, labor power, for sale.

The labor power of the workers in nearly all industrial occupations is used in connection with other expressions of power such as steam, electricity, gas, water, gasoline and horses. Labor power differs from these other powers in that it not only expends itself but expends itself intelligently and directs, controls and uses these other power expressions. The brain of the worker, as well as his arms and legs, is a factor of his labor power. The other powers would as likely injure as serve without the guidance of labor power.

Selling Labor Power

When you sell your labor power to the boss you agree to deliver to him the use of it for so many hours per day, usually ten, for which he in turn agrees to pay you a stipulated price, (known as wages) of, say, $3.00 per day; or you agree to embody a certain amount of it into the raw materials he provides at a given price. The former is the time system of selling labor power, the latter is the piece work system. In either case you sell your labor power to the boss, measured by the clock or incorporated in some article.
When you sell your labor power you deliver it by working according to the terms of the sale. If one has sugar or bacon, or a coat on sale by handing it over to the buyer and receiving from him the exchange for it the transaction is completed. But when the wage worker sells his labor power he must accompany it to the place of sale—field, workshop, mine, railroad—and work there until the time contracted for has elapsed, or the amount specified has been delivered. This is the peculiar quality of labor power—that it is part of the laborer—his life energy and cannot be separated from him.

Labor Power a Commodity

All use-values manufactured and offered for sale are termed commodities. It is characteristic of capitalist production that its products are intended as exchange values, commodities—and the wage worker is properly regarded as the producer of labor power—an exchange value. Now things can only have an exchange value when they also have use value. So labor power brings to the wage-worker its exchange, or market value; but in return for the exchange value the boss purchases its use value—the right to use it for the time specified—for, say, ten hours.

The worker sells his labor power and receives in return a wage, out of which he must provide the means of life for himself and his dependents. The boss buys labor power because he needs it to operate his establishment, whether that be a factory, a mine, a railroad or a farm. The most up-to-date equipment is valueless as a means of producing wealth unless the magic influence of labor power sets it in operation. It is not a philanthropic motive that inspires the boss to employ the wage worker; it is because he must employ him, or fail in his enterprise. When he does employ the laborer he drives as hard a bargain as he can, which means that he will pay the laborer as little as the laborer will work for. But the least the laborer is inclined to accept, on the average, is a wage sufficient to maintain him and his family according to the standard of living obtaining among the workers. And this standard is what determines his wage. The labor time necessary to produce values equal to that required to maintain and reproduce
the laborer sets the exchange value of his labor power, or the wage of the worker. As you will see later this is what determines the relation of all commodities to one another—the amount of socially necessary labor time contained in them—and, as labor power is a commodity, its exchange value is similarly determined.

But labor power, unlike other commodities, besides being part of the worker is associated with the aspirations, hopes, ambitions and will of the owner. That is, as well as being a commodity, it has human attributes, and being inseparable from the laborer has the effect of reducing him to a commodity basis. In capitalist society he is not only a producer and seller of a commodity—labor power—but is himself practically a commodity—a package of labor power wrapped up in a human skin.

The Market Relations of Capitalist and Laborer

That which exists between the laborer and his employer is not a human relationship but a market relationship—buyer and seller. On the human side it is not the relationship of man to man, but of wage slave to capitalist master. When it is said, and that is very often, that capitalist enterprises are essentially philanthropic, that they provide means whereby the workers are enabled to live, there is a perversion of fact. What the capitalists really do is not intended to provide the workers with means of living but to take advantage of the workers' lack of the means of life. As dead workers cannot be exploited it stands to reason that the workers must be kept alive if their exploitation is to continue. The boss is not at all concerned about how the workers live just so they are able to deliver to him the labor power for which he bargains with them. As fellow humans he does not at all regard them. For instance, if the boss is in need of two "hands" and four men apply for these two vacancies, two of the applicants are strong virile men, one is a weakling and sickly, while the fourth is a cripple, the boss will employ the two first, because they possess that which the boss is in the market for—labor power. The latter two, though they may be in desperate straits and need employment worse than the others, will not be employed because the boss needs labor power, and they cannot qualify.
No human motive inspires the boss in the operation of his establishment. He is governed by the Rules of Business. Whether he is buying labor power, equipment or raw materials he strives to buy at the lowest figure and demands the highest quality. He favors low wages—a low price for labor power—while the worker desires a high price.

Questions

1. What is meant by saying "the worker's life is conditioned upon having access to a job"?
2. What is labor power?
3. What is the difference between labor power and other powers like steam, electricity, etc.?
4. How is labor power measured?
5. Why does the boss buy labor power?
6. What is the difference, if any, between labor power and labor?
7. What is a commodity?
8. For what is capitalist production carried on?
9. Could a thing have exchange value without having use value? Why?
10. Why does the worker sell his labor power?
11. What does he get for it?
12. What, roughly, determines his wage?
13. Have the boss and the worker the same interest when the worker applies for a job?
CHAPTER II.

Exchange Value.

The boss and the worker, the one as buyer and the other as seller, do not set the exchange value of labor power—wages. The market dictates to both. The interest of the boss inclines him to obtain it at the very lowest figure, while the worker, just as naturally, seeks the highest possible price. But the market rules that labor power shall exchange upon the same basis as all other commodities—the socially necessary labor time required to produce the things that are needed to maintain the laborer at the prevailing living standard. This is the measure of the exchange value of all commodities. Socially necessary, of course, meaning the amount of average time according to the machinery and efficiency of the prevailing method. This average of labor time determines the relation of all commodities to one another in the market and governs the exchange of labor power as well as of all other commodities. Says Marx, "If we consider commodities as values, we consider them exclusively under the single aspect of realized, fixed, or, if you like, crystallized social labor. In this respect they can differ only by representing greater or smaller quantities of labor, as, for example, a greater amount of labor may be worked up in a silken handkerchief than in a brick. But, how does one measure quantities of labor? By the time the labor lasts, in measuring the labor by the hour, the day, etc."

For illustration, if we take one day's labor power, a cap, a book, and a piece of bacon. All of these sell for $3.00. These articles have nothing in common that is apparent to the eye. They neither look alike nor serve the same purpose, yet there is in all of them some common quality, and in all of them to the same degree, which makes them equal to one another and to $3.00 in gold. What is it? The amount of social labor time necessary
to produce them (and the $3.00 worth of gold as well) is of equal duration.

It is not just the amount of time that a commodity may have taken to produce with obsolete tools and antiquated methods, but the socially necessary labor time that determines its exchange value.

**Value and Technology.**

Karl Marx says, (Value, Price and Profit, page 61) "It might seem that if the value of a commodity is determined by the *quantity of labor bestowed upon its production*, the lazier a man, or the clumsier a man, the more valuable his commodity, because the greater the time of labor required for finishing the commodity. This, however, would be a sad mistake. You will recollect that I used the word *social* labor, and many points are involved in this qualification of 'Social.' In saying that the value of a commodity is determined by the *quantity of labor* worked up or crystallized in it, we mean the *quantity of labor necessary* for its production in a given state of society, under certain social average conditions of production, with a given average intensity, and average skill of the labor employed."

Mary Marcy, (Shop Talks on Economics) uses this illustration:

"If you spend three months cutting up a log with a penknife into a kitchen chair, it will be no more valuable in the end than the kitchen chair made in the big factories where many men working at large machines produce hundreds of chairs in a single day."

The exchange value of the chair is not determined by the wasteful expenditure of time spent in whittling it out with a penknife, but by the average time necessary to produce it with modern machinery and efficient methods. It is not the amount of labor time but the amount of *socially necessary labor time* that determines its exchange value.

Every new machine installed in industry, and every improvement in the machines already installed, reduces the amount of labor time necessary for the production of commodities in the industries where these machines are used. But as individual machines only affect some processes the average of labor time is not now greatly
reduced by them. The average of time is determined by the average of machine efficiency throughout industry, for production is social in scope and character.

The time saving effect of the installment of a new machine, or the improvement of machinery already installed, depends upon the stage of industrial development at the time of installment, or improvement. In the earlier stages of capitalist development, when the machine snatched the tool from the hand of the craftsman, the effect was greater than at present when machinery is so far advanced and so generally used. While a decrease in the necessary labor time is still reflected in the exchange value of a commodity, there are now factors operating which were absent in the earlier stages of capitalism that tend to obscure this fact.

We shall now borrow another illustration from Mary Marcy (Shop Talks on Economics, Page 12), “Suppose every shoe factory in the country were working full time in order to supply the demand for shoes. The factories using the very old-fashioned machinery would require more labor to the shoe than the factories using newer machines, while the great, up-to-date factories using the most modern machinery would need comparatively little human labor power in producing shoes.”

**Socially Necessary Labor Time.**

We see here how fewer workers with more highly developed machinery are capable of greatly increased output—less labor power, or time, producing greater results. The illustration shows not only how the average of labor time is lessened, but shows as well a lowering of the average of skill. Machinery affects the workers in two ways: (1) by displacing workers and (2) by dispensing with their skill. It makes for a preponderance of unskilled and little skilled workers in industry.

The sum of the time required to produce all the shoes by all the factories, with allowance for the social helpfulness of other workers, determines their exchange-value and the exchange-value of every pair. The exchange-value of gold, silver, copper, beans, bacon, clothes—any commodity—is determined in the same way, by the social labor time needed to produce them.
Values of commodities rise or fall as the necessary time is increased or lessened. Labor power is no exception to this rule. The labor time necessary to produce labor power determines its exchange value. We quote Marx: "Like every other commodity its (labor power) value is determined by the quantity of labor necessary to produce it. The laboring power of a man exists only in his living individuality. A certain mass of necessaries must be consumed by a man to grow up and maintain his life. But the man, like the machine, will wear out and must be replaced by another man. Beside the mass of necessaries required for his own maintenance he wants another amount of necessaries to bring up a certain quota of children that are to replace him on the labor market and to perpetuate the race of laborers."

Food, clothing and shelter necessary to keep the workman fit and which will provide for his family—the labor time necessary to produce these—is what determines the exchange-value of labor power. Not the time needed to produce necessaries for the individual laborer, but the average for the class of laborers. The laborer must be replaced constantly and the source of the supply of labor power must be maintained. So the workers must receive, on the average, enough to maintain them as workers and to reproduce other workers to take their places. That is the value of labor power; this is what, on the average, the capitalist will pay his wage workers.

But as these necessaries are determined in turn by the standard of living prevailing among the workers, the living standard of the workers is and must be understood as governing the amount of labor time necessary to produce labor power.

QUESTIONS.

1. (a) What is exchange-value, and (b) use value.
2. What is "socially necessary labor time"?
3. How is it determined?
4. What is the effect of new machines?
5. Can you explain Mary Marcy's illustration of the chair?
6. Apply Mary Marcy's illustration of the shoe factory to a single pair.

7. Why does a skilled worker (mechanic) get more pay than an unskilled workmen?

8. Why does the workman, ordinarily, require more than his own necessaries?

9. What is meant by "living standard"?

10. Does the living standard of the workman play an important part in our economic life? Explain.
CHAPTER III.

Surplus Value

WHEN the laborer has sold his labor power to the boss, the boss sets him to work for ten (10) hours, with the tools and upon the materials which he has provided. But in, say, the first three hours of the working day the laborer produces exchange-values for the boss equal to the exchange-value of his labor power for the whole day, say $3.00. The values created by the worker in the first three hours compensate the boss for the day's wage which he pays the worker.

But the worker does not quit working at the end of three hours, for he has agreed to work for ten hours. He continues creating values during the remaining seven hours. That is to say that for seven hours of his working day the worker creates values for which he receives no compensation, or that seven hours of the worker's daily time is devoted to creating values which the boss appropriates but for which he pays the worker nothing. The employer will claim that he is paying the worker for ten hours, and cite or show his contract to prove that he does. It is under the cover of this assumption that the exploitation of the worker under capitalism has been so successfully hidden.

This, as made clear by Marx, reads, (Value, Price and Profit, page 79) "But by paying the daily or weekly (exchange—Ed.) value of the spinner's laboring power the capitalist has acquired the right of using that laboring power during the whole day or week. He will, therefore, make him work say, daily, twelve hours. Over and above the six hours required to replace his wages, or the value of his laboring power, he will, therefore, have to work six other hours, which I shall call hours of surplus labor, which surplus labor will realize itself in a surplus value and a surplus produce."
Paid and Unpaid Labor Time

It is quite easy to discern the exploitation of the chattel slave. He was provided with a living according to the standard of the slaves in slave society, and the products of his labor belonged to the master. There is no difficulty in seeing the nature and extent of the exploitation.

The exploitation of the serf also is apparent. He tilled his lord's acres for the greater part of the year and his own allotment the rest of the time.

But the wage worker appears to be paid for all of his time, when actually he is only paid for part of it. The balance of the time (seven hours) he labors and receives no equivalent. So the working time of the laborer is divided into two distinct periods: time for which he is paid, and time for which he receives no return—paid labor time and unpaid labor time.

Then it follows that commodities, which are the fruits of the expenditure of labor power by the worker—the crystallization of it—have in them also two elements—paid and unpaid labor.

As these commodities exchange with one another on the basis of the socially necessary labor time required to produce them, it follows that their exchange time is the sum of the paid and the unpaid labor time—the total time in each of them.

Marx, Value, Price and Profit, page 87: "The value of a commodity is determined by the total quantity of labor contained in it. But part of that quantity of labor is realized in a value, for which an equivalent has been paid in the form of wages; part of it is realized in a value for which no equivalent has been paid. Part of the labor contained in the commodity is paid labor; part is unpaid labor."

So the boss, buying the labor power of the wage worker, uses it to obtain values for which he gives the worker nothing in return—surplus values. This difference between his wage and the values resulting from his labor is what enables the capitalist to grow rich and keeps the worker poor.

Under capitalism it is not termed robbery. It is, indeed, considered highly respectable and moral; it is
legalized and sanctified; approved by our “best citizens” and is euphoniously designated **business**.

**QUESTIONS**

1. **What happens when the worker sells his labor power?**

2. **How is the working day divided as regards the working time of the laborer?**

3. **How was the chattel slave exploited? The serf?**

4. **How is the wage worker exploited?**

5. **Is there any difference between the chattel slave, the serf and the wage worker? Explain what it is.**

6. **Explain surplus value by Marx’s illustration of the spinner. Apply it to a farm hand.**

7. **If the wage worker sells his labor power for ten hours how does the boss exploit him?**

8. **How is the present slavery of the workers hidden from them?**

9. **What part of the I. W. W. preamble covers this process of working class exploitation?**

10. **In your opinion why do the workers fail to recognize their robbery in production?**
CHAPTER IV.

The Source of Profit.

In the last article we discovered that the wage worker produces a surplus of values in the course of the working day which accrues to the boss-values for which the boss gives the laborer no return.

As Marx puts it: “The surplus value, or that part of the total value of a commodity in which the surplus labor or unpaid labor is realized, I call Profit.” (Value, Price and profit, page 89.)

The average person believes that profit is made by charging for things a price above their value; by cheating, or in some devious way, but nothing can be further from fact than such a supposition. While there is robbery it does not take place over the counter, but has already taken place where the laborer works and while he was working, and it resolves itself into the unpaid labor crystallized in the commodities.

It is not by charging in excess of their values, but by selling (exchanging) them at their real values that profit is made. Let us again refer to Marx, “By selling, therefore, the commodity at its value, that is, as the crystallization of the total quantity of labor bestowed upon it, the capitalist must necessarily sell at a profit. He sells not only what has cost him an equivalent, but he sells also what cost him nothing, although it has cost his workman labor. The cost of the commodity to the capitalist (money cost—Ed) and its real cost (labor cost—Ed) are different things. I repeat, therefore, that normal and average profits are made selling commodities not above, but at their real values.” (Value, Price and Profit, pages 87-88.)

When the capitalist takes his commodities into the market he exchanges with other capitalists for their commodities, and when the exchange is effected the capitalists, by exchanging for the real value of their commo-
dities, all make a profit, for each of them will have pocketed that share of each commodity which cost them nothing. This is what Marx terms “normal and average profit.” It is this that inspires capitalist production. If cheating were the rule there would be no cohesion among the capitalists, but it is imperative for their interest, for the continuation of the exploitation of wage labor, that profits be made legally. They have made laws (rules) to enforce this practice as a measure of safety, of course, for themselves.

**The Profit System.**

Profits are the logical fruit of capitalist industry. They are inherent in this system of production and exchange. Capitalism has been appropriately termed the “profit system.” Its products are commodities, and its production is for exchange. Production of commodities for exchange, with profit for its objective.

While its products are use values, it produces them only in the light of exchange values—things that will sell. Of course, people will only buy them when they intend to use them. To the capitalist they are things that will sell and for which he receives more than they cost him to produce—they are a means of profit.

A failure to understand the source and the nature of profit—surplus values out of which the wage worker is exploited—leads the average worker to believe that he is robbed in the purchase of the commodities he buys—as a consumer. The workers who act upon this assumption are hunting the remedy in the wrong direction. For a rise in the price of the commodities which he must purchase means that the labor time necessary to produce his labor power has been increased. He must, and, when he understands, he will seek more pay from the employer. Whenever, and from whatever cause, the purchasing power of wages falls below what is required to enable the worker to maintain the established living standard he has received the equivalent of a cut in wages. Whether it be due to a rise in the price of commodities, or reflects a depreciation of the value of gold, it is to be repaired only by a corresponding increase in his wage; he, as a worker, must seek redress out of the measure of surplus value; he must increase the mea-
ture of his paid labor time—get more wages. If this does not happen labor power will be selling below its value.

For, if the consumer is exploited in the purchase of commodities, there need be no exploitation of the laborer in production. Not only that but as the individual capitalist is a greater consumer than the individual laborer he would be exploited to a greater degree. The worker and his employer would have a common interest and would make common cause with the baker against the grocery man and the butcher. Afterward they could form another alliance with the grocery man and the butcher against the baker, and so on, ad infinitum.

The worker would be going in the wrong direction. He would be traveling in a vicious circle and at the end of his activity would find that he was as badly off as before, and would realize that to regain his living standard he would be compelled to demand a higher wage from his boss.

For the worker is one member of the class of laborers. As a wage worker he produces values for which he receives no equivalent. He does not do this from choice, but because the situation of the class of which he is part compels him to sell his labor power that he may provide himself and family with the means of life. The capitalist class takes, as its portion of wealth production, all the surplus values resulting from the labor of the working class. If the living standard of the working class be lowered, the value of labor power will be reduced, and the measure of surplus value will be increased—profits will be greater.

The Class Struggle.

The interest of the capitalists lies, therefore, in forcing, if they can, a lower living standard upon the workers. Naturally the interest of the workers lies in not only maintaining their present standard but in trying to elevate it. This antagonism is an evidence of what we know as the class struggle. The class struggle is a living human and social fact, and must be the guide by which all working class activity is determined and directed. The consciousness of this class struggle should ever be with the worker, for the real position and condition of
the “free laborer” in capitalist society is that of a member of a slave class. The individual worker may quit his job at will, but he must seek another boss without delay. As Marx puts it: “But the laborer, whose only source of earning is the sale of his labor power, cannot leave the whole class of its purchasers, that is the capitalist class, without renouncing his own existence. He does not belong to this or that employer, but he does belong to the capitalist class; and more than that, it is his business to find an employer; that is among the capitalist class it is his business to discover his own particular purchaser.” (Wage, Labor and Capital, page 19.)

Capitalist Enslavement.

Capitalist enslavement of the working class enables the capitalists to own the products of the workers’ labor. And this is all that other forms of slavery meant. The difference is only in appearance; the slavery is as complete, in fact more complete. Says Marx: “Capital presupposes wage-labor and wage-labor presupposes capital.” That is, there could not be a capitalist unless there was a class of workers which could not live except by selling their life energy—a class in a slave position.

The exploitation of the worker can only occur while he is working. Having nothing to be robbed of but his power to produce wealth he cannot be robbed of more than he has. It is in the working place—on the job—that the worker is exploited. Exploitation cannot occur anywhere else. There is no other place toward which he can apply for redress and expect to get it. His control over production is the only power he can exercise with a prospect of result. This power is beyond him, also, until he organizes to employ it. He need look to the capitalists for no consideration or help. Says Marx: “The interests of capital are in direct antagonism to the interests of wage-labor.”

To blame the shopkeeper is a waste of time and misdirected energy, for the regulation of commodity prices is beyond the workers’ powers. When prices rise, while wages remain stationary, the worker has received in effect a cut in wages. He must strive in the direction of a wage increase; he must seek an increase in the measure of his paid labor time; compel the boss to forego
some of his surplus value. **The worker is not robbed over the counter, but at the point of production**, and it is in production he must look for restoration—in the working place and from the boss.

**QUESTIONS.**

1. What does Marx call profit?

2. Is profit made, ordinarily, by charging excessive prices?

3. How is normal or average profit made?

4. Why is capitalism called “the profit system”?

5. What happens if prices rise and wages do not rise correspondingly?

6. Should the worker try to get prices lowered or to have wages raised? Why?

7. Why do the capitalists strive for lower living standards for the workers?

8. What is the class struggle?

9. What is the position of the free laborer in capitalist society?

10. What is the substance of slavery?

11. What is meant by “the interests of capital are in direct antagonism to the interests of wage-labor”? 
CHAPTER V.

The Price of Commodities

The value of a commodity—its relation to other commodities—is not the same thing as its price, the money or gold expression for which it sells on the market. For, while the value of a commodity is determined solely by the amount of socially necessary labor time embodied in it, and fluctuates only as the volume of this time changes, the price of a commodity is influenced by market conditions prevailing at the time of sale.

The relation between the supply of any commodity in the market and the demand for it is an important factor in regulating its price. If the supply is in excess of the demand the price tends to run below its value. If, on the other hand, the demand outruns the supply, its price will incline to be high and the article will sell above its value.

Wages and Prices

Generally speaking, value and price are equal, and, on the average, a commodity which costs ten hours of labor to produce will exchange with gold containing ten hours of socially necessary labor time.

There is an altogether too common belief that the wages paid the workers regulate the prices of commodities. For some time past every source of capitalist propaganda has been used to advance this erroneous idea, and, unfortunately for themselves, the workers have been misled into accepting this pernicious doctrine as economic truth, with the result that, where they have not voluntarily accepted wage cuts, they have been half-hearted in their resistance to the wage cutting campaign instituted by the capitalists.

During the war period, which includes also a few years following the cessation of active hostilities, the (money) wage of the workers had risen to comparatively
high levels but the prices of commodities had risen to proportionately higher levels. It is claimed that the higher wages paid the workers during and after the war are responsible for the rise in prices. But during that entire period, more especially after America’s entry into the war, there was to an extreme degree a diversion of manufacturing from the production of the ordinary products of peace to an intensified production of war materials. Even much of the production which serves the purposes of war equally with the purposes of peace was preempted for support of the military effort. Many manufacturing plants were transformed from instruments of peace production into war-material establishments of one kind or another. Commercial production suffered a decline.

And as a consequence of the withdrawal of many millions of men from industrial pursuits the demand for laborers greatly exceeded the supply and wages went up. But if the supply of laborers was unequal to the demand for wage workers, so also was the supply of necessaries unequal to the demand for them. Especially is this true when the increased purchasing power of the workers is taken into account.

Imports were nominal and as the countries to which we usually export were involved in the war and intent upon furthering their own military efforts they had little to export, nor opportunity to do so had they been so inclined, as water transportation was extremely perilous. Competition between the American manufacturers and merchants was practically eliminated. There obtained then a market condition where supply was greatly under demand and prices ruled high. There was also a labor market where demand was greatly in excess of supply and wages (money wages) had risen.

The high prices of commodities were not due to the high (money) wages paid the workers, but were due to the market conditions prevailing which were favorable to the dealers.

**Cause of Commodity Price Rises**

The desire of the workers, whose wages had risen, to improve their living standards led to great buying activity in the necessaries of life, and, as well, of things
hitherto out of reach, and was responsible for much of the commodity price rise. There was also a rise in the price of luxuries because the war-profiteering, and that which was not profit but plain (even if protected) graft enabled the profiteers and grafters to indulge their craving for luxurious adornment and other extravagances. The war period was the golden opportunity of the bourgeoisie and they minted every minute.

Had wages not risen everyone realizes what effect the restricted production and the consequent market condition would have had upon the workers and their living standard. Wages had to rise and did rise only after commodity prices compelled a raise. Whenever during the war period a rise in wages was demanded it was always based upon a preceding increase in commodity prices, rents, etc., which in itself shows that high wages did not cause high prices, but, on the contrary, followed as a result of high prices.

Had the period lasted longer there would have been a return to normal prices and as a result the workers would have established a new and improved standard of living. But the capitalists determined not only to prevent any elevation of the old, traditional living standard but to force a lowering of it.

"The American Plan"

For every improvement of the workers' living standard strengthens the position of the working class and weakens that of the employing class. The advantage of cheap labor is well understood by the capitalist class, for the lower the living standard the cheaper the laborer. So there was a concerted move by the capitalist interests which had for its objective the lowering of the workers' living standard. This movement is known variously as "Americanism," "The American Plan," and the "Open Shop Movement." It is well organized, well financed and well managed. This movement has made some headway due in great measure to the acceptance by the workers of the economic sophistry that the high prices were due to high wages. Just in proportion as they accepted this for truth they refused to resist the effort to reduce their living standard by accepting wage-cuts. But the principal reason was the fact that owing to their nume-
rous craft unions they were unable to restrict competition among themselves and to present a united front to the capitalists.

"By what means is the price of a commodity determined?" asks Marx in "Wage, Labor and Capital," and then proceeds to answer his own question as follows:

"By means of competition between buyers and sellers and the relation between supply and demand—offer and desire. And this competition by which the price of an article is fixed is threefold.

"The same commodity is offered in the market by various sellers. Whoever offers the greatest advantage to purchasers is certain to drive the other sellers off the field, and secure for himself the greatest sale. The sellers, therefore, fight for the sale and the market among themselves. Everyone of them wants to sell, and does his best to sell much, and if possible to become the only seller. Therefore each outbids the other in cheapness, and a competition takes place among the sellers which lowers the price of the goods they offer.

"Finally competition is going on between buyers and sellers; the one set want to buy as cheaply as possible, the other to sell as dear as possible. The result of this competition between buyers and sellers will depend upon the two previous aspects of the competition; that is, upon whether the competition in the ranks of the buyers or that in those of the sellers is the keener. Business thus leads two opposing armies into the field, and each of them presents the aspect of a battle in its own ranks among its own soldiers. That army whose troops are least mauled by one another carries off victory over the opposing host."—(Wage, Labor and Capital, pp. 19-20.)

QUESTIONS

1. Is there a difference between the value of an article and its price?
2. What regulates the price of a commodity?
3. Does a raise in wages compel a rise in prices? Why?
4. What was the primary cause of high prices during and immediately following the war?
5. What does the "open shop drive" aim at?

6. Do the craft unions help those behind the open shop drive? How?

7. Show the result of competition among sellers of a commodity. Apply it to labor power.

8. What do you understand by "the competition between buyers and sellers"?

9. What do you understand by "offer and desire" as used in the text?

10. Can you apply Marx' illustration of "opposing armies" to the workers? How?
CHAPTER VI.

Price Regulation

The wages paid the workers do not affect the prices of commodities. That is to say that high wages do not make high prices, nor do low wages make low prices. The relation of supply to demand is an important factor in price regulation.

If there are 100 tons of coal on the market and a thousand people each of whom want to buy a ton of coal, the competition between these thousand persons would bring the price of coal up; and if the weather was extremely cold the sellers of coal could charge much more than if the weather was mild. For the need of coal by each of the thousand persons would intensify the competition among them to obtain coal which the cold spell makes an imperative need to them. The value of coal would not have increased but its price would, due to the market conditions prevailing at the time of sale. But if the weather was mild the need of coal would not be so great and those who wanted coal would delay a day or so in the hope that a more favorable condition would then exist—the competition among the buyers would not be quite so keen and prices would not be so high.

If on the other hand there were 1,000 tons of coal on the market and only 100 purchasers the competition would be among the sellers of coal and prices would drop. Again the value of coal would not have altered, but the market condition would have depressed its price.

When prices remain above value for any period of time there is a compensating period, during which price is below value. But taking the fluctuations of price above and below value and on the average, commodities will be found to sell at their value—value and price are on the average equivalents.

As profit is the objective of every capitalist enter-
prise and can only be realized in exchange, there must be some basis upon which commodities will exchange. That, as we have stated, is on the basis of the necessary social labor time incorporated in them. We found that this labor time consisted of two elements—paid labor time and unpaid labor time.

**High Wages Do Not Make High Prices**

Let us take the rectangle A to represent the day's working time, dividing it into ten parts to represent the hours of labor and using the pointer B to indicate the three hours which we have assumed is required to produce values equal to the day's wage of the worker.

![Diagram of labor time and wage](image)

If the labor power of the worker for one day is equivalent to the social labor time necessary to the production of one commodity, that commodity will exchange for other commodities containing a similar quantity of labor time. But part of that labor time is paid for (3 hours) and part of it is not paid for (7 hours). Now if the laborer's pay is raised from $3.00 to $4.00 per day it will require one more hour, or four hours, of his working time to produce values equivalent to the new wage. That is to say that he is now paid for four hours and the unpaid labor time, being less by one hour, the boss takes one hour less of values. But the commodity still requires ten hours of labor time to produce and on the market will only exchange upon that basis. The boss cannot add to its price because the law of the market forces obedience from him and the holders of other commodities will refuse to trade except in accordance with the law of exchange. There has occurred nothing to change the relationship of the commodity to other commodities. What has occurred is a change in the relationship of its constituent elements to each other—the paid labor time element has been increased and
the unpaid labor time element has been diminished. As the boss loses the creative result of one hour of the worker's time it is but natural for him to try to persuade the worker that high wages are a bad thing; that they will make commodities dear. But, if we stop to think about it, the boss would not object to paying high wages except for one thing—they mean smaller profits for him. If he could compensate himself for an increase in wages by charging higher prices he would not fight a wage demand; but it is because he cannot do so that he fights so bitterly against a wage increase. **High wages do not make high prices.** When the capitalist cries out that they do, what he really means is that they make smaller profits, and that is why he is unalterably opposed to them.

**Low Wages Do Not Mean Low Prices**

If the wage of the worker is lowered from $3.00 to $2.00 there will not be any fall in prices, for the reason that in this case, as in the other, there is no change in the time necessary to produce the commodity. The worker is now paid for 2 hours and the results of his labor for 8 hours accrues to the boss. The boss would be better off than before and he would still take the commodity to the market and exchange it for a price equal to its value and above it, if he can, and below it when he must. But the wage of the worker has no more to do with price than the mercury in a thermometer has to do with the weather.

If the commodity sells for $10.00 and the worker's wage has been increased from $3.00 to $4.00 the boss makes $1.00 less profit. The article will still sell for $10.00, because the thing that determines its value—labor time—has in nowise altered. But the boss does not like the fall in profits and howls about high prices as though he ever was concerned about anything lower than "all the traffic will bear."

What the boss would like to do, and what he would do if the market would permit him, is to raise the price of the commodity so as to maintain the old rate of profit or even to increase it. As he cannot do so he tries the next best thing—induces the worker to accept a cut in wages and then another while the cutting is good. Wit-
ness the open shop drive! Surplus value is the only source of profit. That is the Holy of Holies of the capitalist. He regards any inroads upon surplus value as an act of sacrilege. He fights bitterly and musters every ounce of his power to prevent it.

**Increased Demand Temporarily Increases Prices**

When a rise in wages takes place the workers have more money with which to purchase commodities. They go into the market to supply their needs first, then their wants. The increased demand thus created tends to temporarily advance the prices of commodities. These commodities, for the time being, sell above their value. The rise in prices appears to be due to the rise in wages, whereas it results from the increased demand arising from the increased purchasing power of the workers. It is not because wages have risen that prices are high, but because the workers are buying more actively. The living standard of the workers rises to higher levels with higher wages. If the new standard obtains over a long time it becomes the established standard. The higher the living standard the costlier labor power and the smaller the profit. Hence the opposition of the capitalist class to high wages.

For some years preceding the war prices were on the rise and wages ruled low. While prices of various commodities, if not of all, had risen considerably it is worth noting that the relationship of commodities to one another remained undisturbed—the rates of price increase were about the same in all of them. Their relationship to gold had changed—it required more gold to exchange with any of them and more gold consequently to express their relationship to one another. The value of gold had fallen. While other commodities exchanged for an increased amount of gold, labor power, on account of the competition between the laborers, did not as readily command its value, and labor power compared with other commodities was selling below its value—wages were low. Prices rose but wages, except in rare cases, did not rise. High wages were not responsible for these high prices; the decrease in the value of gold was.
What Are “High,” “Fair” or “Low” Wages?

We hear the terms of “high wages,” “fair wages” and “low wages.” What do we understand by them? Things can be regarded as “high,” “fair” or “low” only when they are compared with something else. There must be something standard to gauge them by. What is it then that determines a high wage, a fair wage and a low wage? **The standard of living prevailing among the workers.**

When the wage of a worker enables him to live in a manner superior to the prevailing standard his wages are said to be “high.” When his wage enables the worker to approximate the prevailing standard, we say that is a “fair” wage. When, on the other hand, his wages do not enable him to reach the prevailing standard he is receiving a “low” wage. The prevailing (historic) standard of living is the wage denominator.

The wage has three characters: nominal wage, real wage and relative wage. The nominal wage is the price of labor power stated in terms of money, as $2.00, $5.00, or $10.00 per day. The real wage is represented by the commodities that his nominal wage will enable the worker to supply himself with. The relative wage represents the proportion the wage he receives bears to the values he creates. Thus if he creates $10 worth of exchange values for the boss and receives therefore $2 his relative wages is as 2:10.

**QUESTIONS**

1. Do the workers’ wages determine the prices of commodities? Explain why.

2. What, on the average, is the relation of price to value?

3. Can the boss repay himself for an increase in wages by adding the increase to the price of his commodity? Why?

4. Will a decrease in wages lower prices? Why?

5. How would you account for a temporary rise in prices following a raise in wages?
6. What have supply and demand to do with price setting?

7. When commodities maintain their relationship to one another but their prices go up, what has happened?

8. Is gold the measure of value or the expression of value?

9. What are the three aspects of wages?

10. When is the wage "high," "fair" or "low"?

11. What is the nominal wage?

12. What is the real wage?

13. What is the relative wage?
CHAPTER VII.

The Standard of Living.

The exchange value of labor power being determined by the labor time necessary to produce it, it follows that this time is, itself, determined by the standard of living of the worker. Therefore, if the standard of living is raised more time will be necessary to produce its equivalent than formerly. If it is lowered less time will be required.

As the time required is increased or diminished the volume of surplus value is correspondingly diminished or increased. Because of this there is unceasing strife between the workers and the employers. The effort of the workers is directed to elevating their standard of living, while the effort of the employers is in the opposite direction—to oppose a raise in the standard and whenever possible to force it to lower levels. For, as we have seen, higher wages mean lower profits for the boss—defeat, to an extent, of his purpose. The boss is in business for profit and as long as he can prevent will permit nothing to interfere with the most complete fulfillment of his object.

In the relationship of the worker to his employer there are three features—wages, hours and conditions of employment—and upon each of these the interest of the worker and the interest of the employer are diametrically opposed. The boss will defend the measure as well as the principle (to him) of surplus value. His survival as employer depends upon his ability to do so successfully. Surplus value is the reward of his capitalist ownership. His success is measured by the degree of exploitation to which he can force his employes to submit—the larger the volume of surplus value, the more successful his enterprise. He does not only want profit but all the profit possible.

If the worker demands an increase in his wages of
$2.00 per day, the boss will deny and resist that demand. The worker will insist upon it. An industrial conflict results. At the end that side which has manifested the greater power will decide whether the demand is to be conceded or denied. If the workers have been able to combine themselves to such a degree that the boss is embarrassed to an extent where it is more profitable to yield and grant the concession than to continue the fight, he does so. These conflicts are not settled upon the basis of right or wrong. Their settlement is always a question of power. "Victory is with the side that has the strongest battalions."

If, however, the workers have not so combined that they are able to control the supply of labor, the employer will win. In the past year or more, working groups have sustained defeat after defeat until they are all more or less vanquished and intimidated. The craft unions have not been able to combine the workers to a sufficient extent and as a result there has been an universal depreciation of the American workers' living standard. This accounts for the tendency toward the more comprehensive industrial union form of organization.

Let us again use the figure employed in a former talk to illustrate the significance of the $2 daily increase in wages demanded by the worker.

\[
\begin{array}{cccccccccc}
1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 \\
\hline
& & & & & & & 0 & B & \\
\end{array}
\]

The indicator, marking the increase, would be moved from the 3 hour mark to the 5 hour mark. The worker would now be paid $5 per day, to maintain our assumption that his labor creates an average of $10 values in a ten hour working day. He would now, therefore, be receiving the equivalent of 5 hours of his working time, so that in the course of the working day only five hours of his working time would be devoted to creating surplus value for the boss, where formerly he had devoted seven hours. This would mean that the boss was losing two hours of values every day which had previously accrued to him. This offers an unwelcome
prospect to him and one which he is not inclined to accept resignedly. He is disposed to fight. **But he must depend upon the workers for the forces to fight with.** Naturally he welcomes division in the ranks of the workers, and **it is to his interest to see that the workers are kept divided.** It is worth something to him, for **the preservation of his surplus value depends upon such division.** A good deal of his expense account goes to provide and maintain such a condition amongst the workers. Unless he can secure workers to operate his plant or to carry on his business he, himself, cannot fight the workers with any hope of success. He depends upon the competition in the working class to assist him in resisting the wage and other demands of his working force or any part of them. While they do battle among themselves for the jobs he controls, he is contented. He never permits himself to be disturbed about a day when they will cease to fight and will combine to dethrone him. He knows what the workers must find out—**that they defeat themselves.**

As the employer must depend absolutely upon working class division he strives to maintain division in the ranks of the workers. He employs spotters and spies, he subsidizes news agencies, he organizes strike-breaking forces, he cultivates national and racial rivalries, he fosters everything that serves to split the workers.

Perhaps, this will assist us to an understanding of the unions that comprise the A. F. of L. These unions have functioned, and still do, to keep the workers divided. Control of these unions has enabled the capitalists time and again to defeat the workers and has been a more material asset to the employers than their reserves of strike-breakers, gunmen, etc. These unions have broken strike after strike far more effectively and at no expense whatever to the employers, except for the (comparatively) trifling amounts judiciously distributed in influential quarters. It is safe to say that in the measure of its service to the capitalists craft unionism has surpassed all other agencies of capitalism. They, as organizations, constitute the organized dismemberment of the working class. As long as they survive, the elimination of competition among the workers is impossible to any effective degree. Only other workers can defeat
striking groups and the craft unions are always on hand either to supply them or assist them. **Whenever workers are found in a struck establishment they are serving the capitalist interest.** By this test is the craft union judged and proved a capitalistic agency and a working class enemy.

**The Hours of Labor**

Now, if instead of a $2 raise in wages the worker sought a decrease of two hours in the length of his working day, the boss would fight that proposition as energetically as he would a raise in wages, and for the same reason—it would mean a decrease in the volume of his surplus value. If we take the rectangle we have been using we have a figure representing a working day of ten hours:

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  1  2  3  4  5  6  7  8  9  10
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But the new working day is only 8 hours and while the wage of the worker remains the same, there are now two hours less working time devoted to creating values for which he receives no compensation—the boss is deprived of the use of two hours labor time that had previously accrued to him in the form of surplus values. This is a setback to which he is not disposed to be reconciled. He refers to the workers' achievement as a form of holdup and claims to be paying ten hours pay for eight hours work. The worker is also inclined to believe that the boss' contention is correct—that he is now receiving ten hours pay for eight hours work. He is receiving a higher wage, nominally and relatively. Whether he is receiving a really higher wage will depend upon the purchasing power of his pay. He is receiving a higher hourly rate and to that extent has improved his condition—he has raised his wage 7½c per hour. Instead of getting ten hours pay for eight hours work, he is now getting paid for three out of eight instead of, as before, three hours out of ten. The boss, on the other hand, is now able to appropriate only five hours
out of the eight hour day where he had been accustomed
to appropriate seven hours out of ten. This is a change
that the boss dislikes and which he does not propose
to get used to if he can avoid it.

Wages are not affected when the hours of labor
decrease, for the cost of producing labor power (or the
laborer) for a day of eight hours is as great as for a
ten hour day; consequently the exchange value of his
labor is not disturbed, only the amount of surplus value—
the rate of profit is lessened. This means a decided gain
for the worker and, just as decisively, a loss for the boss.

Reducing the length of the working day also has
the effect of providing more jobs for the workers and,
to the extent that it does this, it lessens the competi-
tion among them. This result also is undesired by the
boss, for it provides a more advanced position from
which the workers may launch a new attack upon his
surplus value.

To improve working conditions the boss must like-
wise forego some of his surplus value or divert it from
the more promising prospects of investment. This he
is unwilling to do and another contest is entered into
with his workmen. For the boss will part with his profit,
or any part of it, as cheerfully as with his right eye.

In the working place—on the job—the interest of
the workers and the employers are in perpetual conflict.
Between them there can be no peace. The class war will
go on until either the workers are subdued or the bosses
are eliminated. Every gain for one is a loss for the other.

The interest of the employers demands a divided
working class—the interest of the workers a united
working class. The bosses hate the I. W. W. and the
boss' agents among the workers also hate the I. W. W.
The I. W. W. stands for and is striving to bring about
working class unity.

QUESTIONS

1. What are the three points in the relationship between
the worker and employer that count?

2. Are their interests identical in regard to these?

3. What effect has a raise in wages upon the boss' profit?
4. What effect would shortening the workday have on the boss' profit if no other condition was changed?

5. Are strikes settled upon the basis of right and wrong? How are they settled?

6. Does the boss want the workers to unite? Why?

7. What might happen if the working class was solidly united?

8. Does the boss defeat the workers in strikes? Who do?

9. Does the boss strive to maintain division among the workers? What are some of the things he does?

10. If the workday is reduced from 10 hours to 8 hours, and the wage is not reduced, does the worker get paid for 10 hours? Explain what happens.

11. Explain the importance of his living standard to the worker.
CHAPTER VIII.

Piece-Work

BESIDES hiring the laborer by the hour, day or week the capitalist also sometimes employs him as a piece-worker. Under the piece-work system the worker is paid at the rate of so much money for doing a certain specified thing—for digging a foot of ditch, molding a casting, sawing logs, cutting cordwood, riveting a foot of tank, etc., etc.—and fulfilling the requirements as to quality with regard to the work done. That is to say, the excavation must be of certain dimensions, the casting must be perfect, and so on. For defective work the boss will not pay, so the worker must be careful to turn out work that will at least escape penalty. For condemned products he does not get paid at all and for “culls” he receives less than the contract price. Therefore, he will take pains to do “good work.” The difference between the time-worker and the piece-worker is that the former is paid for the time he works, while the latter is paid for the amount of his production according to a standard of quality already set and agreed upon.

John Smith, we will say, is employed as a day laborer to dig a ditch at a daily wage of $3 for an eight hour day. He digs an average of two 10-foot “sections” a day, or 20 feet of ditch for a day’s work.

If the boss says to him, “John, from now on I will pay you 15 cents a foot for digging this ditch,” and Smith closes with the offer. From that time on we are likely to hear Smith, unless he is above the average, reason something like this: “Now, I am working for myself. The more I do the more I make. So here goes, John Smith, for a big day’s pay.” That night John measures up his excavation and finds he has dug three sections or thirty feet of ditch and earned $4.50. He feels elated, for he has received $1.50 more than he
has been receiving. He makes up his mind that he can do still more. The boss, who has contracted to dig the ditch at 30 cents per foot, has increased his return on Smith’s labor by an amount equal to his laborer’s increase—he is now making $4.50 where previously he had made $3.00.

But Smith increases his digging until finally he excavates 40 feet of ditch per day, bringing his daily wage up to $6, and increasing the boss’ profit to a similar amount. Smith feels that he is doing well, and the boss ought to feel that he too is doing very well. But it does not work out that way. Though his own profit has doubled, the boss feels that Smith who is drawing twice “the going wages for ditch laborers” is getting entirely too much. So he approaches Smith and tells him that he cannot afford to continue paying him 15 cents a foot. He then offers him 10 cents a foot as “the very best” he can do. He will suggest to Smith that a whale of a digger like Smith can earn good money at that price. Smith agrees to the cut and then starts out with accelerated speed to approximate his former earnings at the new price. He digs 50 feet per day. He is now making $5 per day, at his top speed. When the boss suggests another cut Smith is in humor—to take a rest. So the boss hires Jones at the “going wage for ditch diggers,” but he insists that Jones shall dig each day approximately 35 feet of the ditch—an average which Smith’s efforts enabled him to determine. In this way the piece-work system is used to set the standard of production in industry.

Marx says of piece-work, “they (piece-wages) furnish to the capitalist an exact measure for the intensity of labor,” and he adds farther on, “since the quality and intensity of the work are here controlled by the form of the wage itself, superintendence of labor becomes in great part superfluous.”

While Smith was digging the ditch by the foot he did not need a foreman to direct or to urge him. He set his own mark by determining how much he would endeavor to do—he was his own pace-maker.

The piece-working laborer is not concerned about the shorter or longer working day, for his wage is not determined by hours but by products. An hour or two,
more or less, is only incidental to the amount which he has set himself to make for the day’s work. A long day or a shorter day is only important when he has realized this amount or failed to. To, again, quote Marx: “Given piece-work it is naturally the personal interest of the laborer to strain his labor power as intensely as possible; this enables the capitalist to raise more easily the normal degree of the intensity of labor. It is, moreover, now the personal interest of the laborer to lengthen the working day, since with it his daily or weekly wages rise.”

The piece-work system makes for intensified, unremitting effort in the working place. As Marx points out in another place, it “is the form of wages most in harmony with the capitalist mode of production.”

Often in the industries it happens that capitalist management will put processes on a piece-rate basis so that the workers engaged in these processes by hurried, diligent application make wages far in excess (comparatively) of the wages paid time laborers on the same work. After careful observation, over sufficiently long periods, an average day’s work for the laborers employed on these processes is worked out, which these workers must approximate. Piece-work is a device which enables the capitalists to determine the utmost capacity of the most capable workers; they then make something less than that the standard for all and the measure of competency.

The Bonus System

There is another form of piece-work, or, perhaps better, an extension of the piece-work system—the bonus system. This is usually an arrangement whereby the workers are induced to greater effort by paying them a “bonus” for production in excess of the amount set for a day’s, week’s or month’s work. Suppose, for instance, so many feet are set for a month’s work for a miner. If he drives a greater number of feet he is paid so much per foot for the number of feet by which he exceeds that standard. If the miners are influenced by this system they soon find that they have increased the number of feet they must drive in stope or raise in a month. It is nothing more nor less than an attempt to speed up the workers. If they “fall” for it they have to work harder to hold the job than they had to before.
Profit-Sharing; Stock-Buying

Profit-sharing and stock-buying propositions are also schemes to induce the workers to apply themselves more diligently and intensely in the working place. These usually depend upon terms of continuous employment. Besides the speeding up which these proposals are intended to develop they are intended as well to act as preventatives of a labor turnover. The labor turnover is proven by capitalist experience to be the most costly item in the operation of industry. Get that—the changing of only part of the personnel of a working force is the most expensive item in the operation of large industries. It is important that the workers be made to realize that the complex character of the working force in modern industry is the capitalists’ weakest point. The capitalists must strive all the time to keep this force divided. If they can do this, they are safe. Whenever they cannot, they are lost. If the working force of a modern industry were thoroughly organized so that they could act as a unit and withdraw their labor power it would be impossible to replace them at will. It would take years to do so. Here is where the craft unions especially prove their usefulness to the capitalists. They function to prevent this.

Family Pressure

Side by side with profit-sharing and stock schemes runs the policy of manning key processes with men of family. It is becoming a fixed policy of big industrial enterprises to man their industrial establishments with married men whose sense of responsibility will make them docile and submissive and whose individual power of resistance is less than would be that of unmarried men. Profit-sharing, stock-buying, home-building, and all other such schemes have for their object the tying of the working force to their jobs, more particularly those in the “key” labor classifications. Imagine a worker in the Standard Oil refinery at Whiting, Indiana, who has had the “privilege” of buying a share or two of stock as a “reward for faithful service,” feeling himself equally interested in and benefiting by Standard Oil as does John D. Rockefeller. Such workers are to
the capitalists what the "capper" and the "come-on" used to be to the gamblers who infested the county fairs and "cleaned up" on the rustics when the circus was in town. They betray their fellows without benefitting from their betrayal.

A wise working class movement will educate its membership to the purpose underlying and inspiring these wily schemes of the capitalists and will eternally drive for that unity which will enable the workers to solve the problems that only the workers can solve, and they only when they have first achieved solidarity as workers—in a working class union.

QUESTIONS

1. What is the difference between piece-work and day-work?
2. Which is the more desirable for the boss?
3. Does the piece-worker strive for a shorter workday? Why?
4. Does the piece-worker work harder than the day-worker? Why?
5. What is the bonus system? How does it affect the worker?
6. What advantages does piece-work give the boss?
7. What is the object of profit-sharing, stock sales and home building schemes?
8. Why are married men preferred to single men in large industries?
9. What is the boss' weakest point?
10. Is this why he fears industrial unionism? Explain.
11. What is the most expensive item in modern industry? Explain.
CHAPTER IX.

The Origin of New Capital

HOW does new capital come into existence? This is a question of some importance and deserves brief explanation. We have seen that the relationship existing between the wage worker and the employer entitles the employer to the products of the working process. These products contain a surplus of values. It is out of this surplus that new capital originates.

When a capitalist decides upon an industrial undertaking he calls in someone who is familiar with the business in which he wishes to engage, for it is not at all necessary for the capitalist to know anything at all about the business. From manager to floor sweeper all active participants are employes. Under the direction of the man who does know, buildings are erected and equipped with the machinery suited to the carrying on of whatever manufacturing has been decided upon. There is, as well, provision for the maintenance of the machinery—oil, waste, wrenches, screws, bolts, etc. A supply of raw materials is also laid in. The plant now only needs labor power. The man in charge goes into the labor market, usually by hanging out a sign “Help Wanted,” for the various kinds of labor needed. He finds it, usually without difficulty, labelled according to its kind and wearing its price tag. He selects the most promising of each kind, and assembles and organizes the working force. This completes his preparation. The plant is now ready to begin operations.

We have already seen how the working process results in the production of surplus value, and how normal profit is realized from this source in the process of exchange. The time factor, we have also learned, is the basis of exchange. But with the capitalist “Time is money.” So before going into the market the capitalist figures the money cost of his commodity. Says Marx:
"The very conditions of bourgeois existence compel it to keep careful accounts."

So we find the boss has very carefully figured out the average deterioration of machinery, per each individual commodity; the fuel or power cost; the oil cost, waste material, etc. together with the labor wage cost. He therefore knows to the fraction of a penny what every article cost him to produce. He regards this as his zero. His condition of existence as a boss requires that he sell above this figure.

Let us suppose that the capitalist has figured the cost of an article to be $5, made up as follows:

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<td>Wages</td>
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If he sells at $5 he has made no profit. If he sells for less than $5 he sustains a loss, and he is not in business to lose or to just keep even. He is in business to make profit. He will, therefore, withhold his commodity as long as he can afford to before he will sell it for less than it cost, or at its cost price. He does not have to, ordinarily, for it sells at a price approximating its value. He sells it for about $10, and makes $5 above its money cost of production. The overhead allowance has been carefully calculated and the cost of the raw material is fixed by the cost of the amount used. These together total $3, and that is all of the $10 they can be made to account for. Then a profit of $5 has been made off the labor of the workers. There is no other place from which it could come. And this, indeed, is the only source of profit. But, as the plant turns out very many commodities every day, $5 multiplied by the number turned out gives the amount of the profit for each day. After the capitalist has provided for himself and his family, as becomes a man of his station, there is still a surplus left. This surplus is transformed into new capital, where it becomes instrumental in adding to the capitalist’s volume of surplus value, to be again and again transformed into more new capital. As Marx makes apt comment: "With a given degree of exploitation of labor
power, the mass of the surplus value produced is determined by the number of workers simultaneously exploited; and this corresponds, although in varying proportions, with the magnitude of the capital. The more, therefore, capital increases by means of successive accumulations, the more does the sum of the surplus value increase."

**Accumulation of Capital**

The different aspects of the laborer's wages have a bearing upon the accumulation of new capital. If there is a rise simultaneously of the nominal, real and relative wages there will necessarily be a fall in the general rate of profit, and, to the extent that this is so, will there be a curtailment of the volume of surplus value available for new capital.

But it can happen that the nominal (money) wage would rise, and that the real (commodity) wage would also rise, while the relative wage would, at the same time, decline. "If," as Marx puts it, "when trade is good, wages rise five per cent, and profits on the other hand rise thirty per cent, then the proportional or relative wage has not increased but declined."

For instance, if the commodity, which has been selling for $10, sells at an increase of thirty per cent on the profit, which was $5, it would sell for $11.50. The wages which were $2 with a five per cent raise would be $2.10. The cost would be $5.10 and the profit $6.40. The relative wage would have declined from 2:5 to 1:3, and would now only be 5/6 of what it was.

Says Marx: "An important factor in the accumulation of capital is the degree of the productivity of social labor.

"With the productive power of labor increases the mass of the products, in which a certain value, and, therefore, a surplus value of a given magnitude is embodied. The rate of the surplus value remaining the same or even falling, so long as it only falls more slowly, than the productive power of labor rises, the mass of the surplus-product increases... But hand in hand with the increasing productivity of labor goes the cheapening of the laborer, therefore, a higher rate of surplus value,
even when real wages are rising. The latter never rises proportionately to the productive power of the laborer."

The evident truth of this statement by Marx is brought home to us by the fact that notwithstanding the great increase in the productivity of the individual workman, and, therefore, of the entire working class, due to the greater employment of machines in production and their ever-increasing efficiency their lot is relatively worse, in the social sense, than when their labor was far less productive. As labor productivity increases labor security diminishes.

**The Migratory Worker**

Take the farm laborer, and his case is typical of the working class condition, who, when the tools used in farming were far less productive than those now used, was able to command employment the year round, to marry and to enjoy something approaching a home life. He had more assurance of permanency of location because of steadier employment. Today he is a migratory worker, casually employed in agriculture and other industries, usually unmarried and homeless. Yet he is by far a more productive worker than the farm laborer of the days of the cradle and hand-binding, the flail and the horse-power threshing machine. He has less security when he works with a tractor-drawn plow that turns twenty-five or thirty acres than when he plowed with a "foot-burner" (one mould-board plow) and turned two or two and one-half acres per day. The relative wage of the farm worker has declined greatly. The decline in the relative wage of the factory worker is even greater, for the advance in the machinery of manufacturing industry is far and away ahead of the machinery of agriculture.

To state the nominal wage of today in comparison with the nominal wage of decades back and attempt to prove that the worker is better paid now than he was at that time, is to overlook the social advantages that have resulted from the workers' increased productivity, and from which the workers have not benefitted, at least not proportionately. Even were the real wage of today a gain comparable to the gain in the nominal wage the relative wage would still have declined, for
as the volume of capital becomes greater the volume of surplus value must increase, and as the volume of surplus value increases so does the discrepancy between the purchasing power of the workers and the measure of the increased volume of surplus products. The working class is able to buy back less and less of its production.

**Capital and Investment**

Idle capital lies fallow. It insists upon investment, and its owners will seek the conditions for its employment. This urge of capital is responsible for the imperialistic tendency of modern capitalist governments. So when we observe a change in the international political conduct of the American government, if we seek out the reason underlying and inspiring this radical departure, we will discover that it is due to the need of our capitalist class to find territory in which to invest their idle capital. This will account for the changed foreign policy of the state department; this is why the government is seeking "a square deal" for China and projecting itself into the affairs of other nations. So great has been the volume of American surplus value that the United States has become the world's foremost creditor nation. Out of the labor of American working-men and women has her importance grown. To say that our capitalists are smarter than the capitalists of other countries is to give them credit for something that is not true. They are greater exploiters of the American working class than the other capitalists are of their nationals. Remember there is nothing of value in this country, or in the world, except what labor has produced. That part of the products of American labor for which the American capitalists gave American workers no equivalent is greater than in any other country in the world.

**American Labor Poorest Paid**

The American workman is relatively the lowest paid workman in the world. This country, with the highest nominal and the highest real wage of any country in the world, pays the lowest relative wage of any country on the globe. The American worker gets less of the
values he creates than any other worker in the whole wide world. This is why the American section of the capitalist class is the richest in the world. So rich that it now wants to annex the rest of the world to exploit the workers in the other countries. If a war comes between America and Japan, it will not be over Japanese in California, but over Japanese investments in China, Corea, or Siberia, or wherever else they come into conflict with the investments of American capitalists.

The idea that our capitalists among themselves, or in a contest with foreign capitalists, make profit is a delusion. Only out of wage labor can profit be made.

Suppose that five persons sit into a poker game with $10,000 apiece. At the end of a night's play one man has “cleaned up” the other four. Four men are broke and one has $50,000, but there is not $1 more than there was at the beginning of the game. Now, had these players been a night force at work in some industry, at the end of the shift there would be more wealth than at its beginning and consequently more profit. Whether the capitalist dissipates, loses in business deals, or invests his surplus as new capital is not the point—it is that profit has its only source in surplus value wrung from wage labor—surplus value is the modern source of new capital.

When the Amalgamated Copper Co. was promoted there was a story to the effect that $36,000,000 profits were made over night. What happened was that those who financed the deal believed that the holdings offered a good prospect for paying more than the current rate of profit upon their investment—the copper properties would enable them to exploit the wage workers to the amount of that capitalization. That $36,000,000 was not profit; it was part of the price paid for the privilege of exploiting the slaves in the holdings which were purchased. Dan Ryan, Con Kelly and their tribe have since been driving to make good on that judgment and have provoked two costly rebellions in the process.
What Capital Is

Capital is wealth in any form used for the exploitation of wage labor, and, is itself, derived from the exploitation of the labor it employs. Capital—surplus value, more capital, more surplus value and so on. A vicious circle of exploitation that leaves the workers ever weaker and more and more helpless.

QUESTIONS

1. From what source is new capital derived?
2. What relation has the relative wage to new capital?
3. Explain how the nominal and real wages can rise while the relative wages declines at the same time.
4. What relation has increased productiveness to the situation of the wage workers?
5. Explain question 4 by citing a farm worker, or some other laborer.
6. If the worker received $3 per day in 1914 and is now receiving $4, has his wage risen? Why?
7. What relation does the wage of the American worker bear to that of the workers of other countries. (a) nominal, (b) real, and (c) relative?
8. What has new capital to do with the foreign policy of the government?
9. Do capitalists make profit out of each other? Why not?
10. What would be the result to the workers if the source of new capital—surplus value—was lessened?
CHAPTER X.

The Market Law

THERE is a widespread belief that so-called monopolies can and do raise the prices of their commodities at will; that John D. Rockefeller, for instance, recoups himself for some of his charitable outlays by raising the price of kerosene or gasoline. If we stop to think about it, John D. might just as well defer making the donation until he had first collected the toll which he is alleged to have power to levy. As a matter of fact there need necessarily be no more connection between Rockefeller's philanthropy and a raise in the price of Standard Oil products than a striking coincidence.

Panics

Admittedly, John D. has great power, very much too great, but his power is not great enough to set aside the laws of the market. While Standard Oil is striving to become, it is yet far from being an absolute and complete monopoly; nor is there yet a monopolized condition in anything. The extent to which vast combinations of capital, like the Standard Oil, have been formed, results not from bucking, or trying to buck the laws of the market, but from strictly observing its laws and being governed by them.

When it is assumed or asserted that the will of the corporations is superior to and disregardful of the laws of the market, so that it can and does dictate the prices of commodities, there is no ground upon which to base the assumption or assertion. These corporations, like all others who enter the market, do not dictate to the market but are dictated to by the market. They are the logical fruit of capitalist experience in the market, built up to accord with its laws and not in defiance of them.
In the early days of the capitalist system, when unrestricted competition was the rule and before the necessity for gauging the capacity of the market was understood or the means for doing so had yet been developed, each individual manufacturing concern was impelled by an ambition to secure for itself as large a slice of the market as possible. Each manufacturer went ahead with production without regard to the others in the same line, who did likewise—all impelled by the same motive. The inevitable result was that the market became so congested, periodically, that these manufacturers were compelled to slow down production or to shut down their plants entirely.

Many of them were unable to wait until the market had again become normal and could absorb their products. They were pressed by their individual and immediate needs, for they were operating on a very narrow margin of capital, while, indeed, some of them had no margin whatever and were compelled to realize upon their production, even though it meant great sacrifice to do so. "Necessity knows no law," not even market laws. So, in the ensuing competition to raise sorely needed revenue, values and surplus values were lost sight of and commodity prices were lowered even far below the actual cost of production to the capitalists. These were truly times of "sacrifice sales." Many of the capitalists were bankrupted and dropped into the ranks of the wage earners.

The Lesson

Each of these periods furnished an object lesson to the surviving capitalists. They learned that competition was not the life of capitalist trade but a dangerous death-dealing condition which it were well to remedy. These experiences were not lost upon them and they proceeded to eliminate competition among themselves to as great an extent as possible. We find that following these periods, there was reorganization and rearrangement which enabled the newer and stronger forms of capitalist property to better withstand the adversities due to the recurring periods when the market is congested, which will be so long as surplus value is wrung from the labor of the wage-working class. Moreover, these more capable
forms were able to win advantage from the difficulties of the weaker capitalists during panicky times.

As these property forms grew in scope and magnitude they found it advisable to divide their system of management. Departmental spheres were instituted which conducted necessarily closely-related processes, and, among others, one was organized whose function is to survey the world's commercial outlook and to collect such data as will serve to guide the enterprise so that the supply of the commodities in which it deals will always approximate the demand for them. It is an attempt to balance supply and demand in the market.

This move on the part of the larger capitalists pointed the way to the rest of the capitalists, and, as it was too expensive a proposition for most of them to undertake individually, they commandeered their national organ, the government, and the United States consular service was brought into existence.

Consular Service Aid

Through the consular service of the government our manufacturers are supplied with information as to where in the world this, that or the other commodity is needed and about how much. They are also made aware what the capitalists of other countries are doing in relation to outside and home markets, and consequently they are in a much more favorable position to participate in world trade than were the capitalists of an earlier day. The manufacturers of today are better equipped to estimate the capacity of the market and to regulate supply to approximate demand. This enables them to sell their commodities at their real value or near it.

If the will of Standard Oil, or any other capitalist concern, could override the laws of the market, the market would, automatically, be destroyed—there would be no market. The condition for a revolution would be, by that very fact, established. There would be no other way out, for there would exist a power whose will was subject to no check or restraint. The autocracy to which capitalist ambition aspires would then be already realized. That not only is not so, but is destined never to be so. There is the social law whose decrees are immutable which will operate to prevent this consummation.
One Regulator

But suppose John D. did take the notion to raise the price of oil arbitrarily, could he do it? John D. is in business for profit. The amount of his profit depends largely upon the volume of his sales. If he raises the price of his oil or gasoline above its value, sales will fall off. When oil is cheap those who use kerosene will start the fire in the morning or evening with a cup of oil; they are not so particular about burning the lamp an hour or so longer in the evening. But let it go up in price, then they are inclined to husband their supply. When we consider the great numbers who use oil we will see that a very little saving by each of them will, in the aggregate, cause a severe cut in the amount of John D.'s sales. If through a mistaken idea John D. were to raise his price still higher, instead of burning oil many of his customers would turn to other illuminants—candles for instance. John D. knows that he does not gain by lessening the number of his customers but by increasing them. If he raises the price of gasoline, many who now use cars would use them less, and if the price went too high they would lay them away in the garage and use a street car or walk. It is not good business policy to force anything of this kind and good business men, like John D. do not do it.

Then, there is always idle capital seeking investment. When opportunity offers it is ready to go into competition with invested capital, and so serves as a check and enforces the market laws upon those who would disobey them. Not that it is inspired by any motive of compelling obedience to these laws, but is seeking an opportunity to get itself profitably invested.

The Workers' Lesson

What we, of the working class, should be particularly interested in about these corporations are the changes they have made in industry, and the need for organization, which these changes emphasize, in order to safeguard our interests as workers.

They have brought about an arrangement in industry whereby things are produced with a minimum expenditure of human energy. The advance made in productive
industry, as a result of their methodical improvement, proves disastrous to us only because we have not organized ourselves so as to take advantage of it. As less energy is required in production the demand for laborers decreases, because without organization we are unable to claim for ourselves any share in advantages that would be impossible without us. The results of tool improvement and time-saving arrangements all go to the employers, and as the measure of their benefits increases so does the volume of our misery also increase. Instead of organizing to reap benefit from machinery we have remained unorganized, until in place of working less hours and being more comfortably conditioned, we work longer hours when we are working, or that part of us which is working, and there is an increasing number of us who are permanently condemned to idleness and want.

**Shorter Workday**

The first and prime need of the workers is to lower the hours in the working day, in an attempt to lift the millions of permanently unemployed out of the slough of idleness and furnish them with an opportunity to provide themselves with the means of life. There should be a national movement by all the workers to secure a universal eight hour day.

If the eight hour day will not suffice to bring security to the workers we must push on for further limitations. We owe no apology to the capitalists, nor to anybody else for insisting that the very first charge against industry is provision for and the security of those who are necessary to and who carry on its operations.

**The I. W. W.**

The capitalist system must be replaced by a system which will recognize in industry a means through which social wants and comforts are provided. To accomplish this is the mission of the working class. This idea dominated a gathering of American workers in Chicago in 1905. These men and women were not only workers in the industries, but also students of labor history as well. They adopted a declaration of principles and founded an organization the purpose of which was to bring into
existence a social system in which the workers would administer the affairs of society. The organization they launched conforms to the capitalist arrangement in industry and they breathed into it the spirit of the working class.

That organization is the Industrial Workers of the World. It has bid for the attention of the working class and won the hostility of the capitalists and of every flunkey and lickspittle that wears the livery of capitalism, from Judge Gary to the last small fry official of the craft unions who flaunts the badge of labor only to betray the workers.

Thousands of I. W. W. members have gone to jail and been done to death, legally and otherwise, for preaching the doctrine of labor salvation. That organization is the most feared and worst hated union in the world. That it is, is its highest recommendation to the workers of the United States. When men dare the persecution that has been endured by the I. W. W., they have furnished a reason why the cause they advocate and the philosophy that strengthens them should be investigated by the workers.

Here is their declaration of principles:

The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among millions of working people and the few, who make up the employing class, have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production, and abolish the wage system.

We find that the centering of management of the industries into fewer and fewer hands makes the trade unions unable to cope with the ever growing power of the employing class. The trade unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping defeat one another in wage wars. Moreover, the trade unions aid the employing class to mislead the workers into the belief that the working class have interests in common with their employers.
These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.

Instead of the conservative motto, "A fair day's wage for a fair day's work," we must inscribe on our banner the revolutionary watchword, "Abolition of the wage system."

It is the historic mission of the working class to do away with capitalism. The army of production must be organized, not only for the every-day struggle with capitalists, but also to carry on production when capitalism shall have been overthrown. By organizing industrially, we are forming the structure of the new society within the shell of the old.

QUESTIONS

1. Can Standard Oil dictate the price of oil?
2. What result has an overstocked market on prices?
3. What did the capitalists learn from panics?
4. What relation has the government consular service to American industry?
5. Why would the market be destroyed if the will of the capitalists could determine prices?
6. Do you know any factor that might serve to influence prices?
7. What effect would a refusal to buy or to buy as much as formerly have on prices? Why?
8. In what way does idle capital influence prices?
9. What particular lesson has trustified property for wage laborers.
10. When was the I. W. W. formed?
11. What are the principles of the I. W. W.?
12. Why is the I. W. W. hated?
CHAPTER XI.

IN CONCLUSION

IN OUR brief study of the main features of the workers' economic problems we have tried to bring fairly before you the proof that the struggle between the capitalist class and the working class takes place in production and nowhere else; that it is over surplus value and over nothing else; that the interest of the capitalist is to retain and to increase the amount of surplus value, and the interest of the worker lies in diminishing surplus value until finally no surplus value remains. In other words, the struggle on the side of the capitalist is to continue labor power as a commodity, and on the side of the worker to destroy the commodity character of labor power. The capitalist wants to continue the wage system, and the worker must abolish it.

Ben Franklin is alleged to have once said that, "history could be more correctly written in terms of tools than in any other terms." Whether Franklin said so or not, it is true. Only if Ben Franklin did, he was years ahead of Marx in discovering the materialistic conception of history. Were it not for the invention of tools the human race would have been unable to survive. The survival and progress of the human race have depended upon the employment of tools—in the final analysis upon the tool users—the workers.

Capital an Acquired Character

Now the modern means of production (tools) are referred to as capital, which means that their ownership confers upon the owner the means of exploiting labor. They are primarily, essentially and always instruments of production. This is their inherent character. Their character of capital is an acquired character. Take an industrial establishment and when its capitalization is
stated the meaning is that it provides a means to exploit labor to the amount of profit, according to the average rate, upon the sum for which it is capitalized. If there were no wage-workers, a billion dollar capitalization would not be worth ten cents and, if purchased at that price, the buyer would be a dime out. However, today the workers in capitalist industry and commerce, so long as they are reconciled to produce surplus value, make it an objective for the capitalist class to keep them in a condition where they must produce it.

The beneficiaries in every social system have sought to have that system regarded as the finality of human progress. They have always chosen to be regarded as the most necessary element.

A favorite argument on behalf of capitalism is that "labor needs capital and capital needs labor." This is not at all so, for capital in that connection is meant to disguise the capitalists. Labor does not need capital as capital. What labor needs, and will eventually have, is the instruments of production, without their character of capital. This character, which is a character imposed upon the means of production, the workers will destroy without injuring these tools, without so much as even scratching the paint on them. Only the instruments, without their capitalist ownership, are necessary to labor.

**Labor Objective**

This has been the objective of the labor movement from its beginning under capitalism. The very first union was an attempt by the workers who formed it to contest the arbitrary will of the employer which had previously prevailed in industry. While it was not consciously so, it was, nevertheless, the first step in a revolutionary direction. For challenging the control of the boss and denying it altogether is one and the same principle, and the difference is only a matter of degree.

The trade unions sought to obtain for the workers a greater return from the proceeds of their labor and a more comfortable existence within the limits of the capitalist system. Their demands and the intensity of the fervor with which they fought for them betoken a spirit born of something beyond the scope of their immediate grievances. The suffering endured, the sacrifices made,
the cheerfulness with which men have gone to prison, the unshrinking manner in which men and women faced death by bullet, bayonet, scaffold and a chair speak out eloquently of greater inspiration than the mere cents per hour they demanded, or the minutes they asked from the working day. Their wage losses were greater than the thing they sought and fought for; if the financial measure of their demands were the inspiration for their heroic sacrifices. But it was not. They fought and died for a conception of right which, in the denial of their modest demands, they felt was violated. The earnestness of their protests resulted from their social impulses and were never merely personal. Their magnificent spirit was temporarily unable to carry them through to victory, for they often fought with economic weapons that were outworn and almost valueless. The development of capitalist industry rendered their unions obsolete and the tally of their defeats vastly outnumber the score of their victories. But, nevertheless, in the consciousness of victory, or the appearance of defeat, the cause of the workers presses steadily forward.

Working Class Unionism

It is our duty to ourselves and to the future to profit by the experiences of our predecessors and by our own. We must build up an organization as inclusive as the working class, arranged to correspond to the arrangement of industry, flexible enough to meet and comply with the various and varied needs of every and all working groups in industry, and whose aim is as narrow and as single as the working class interest. The power of the workers in production is the power of the life and death over society. This power can only be used to serve society by organization of all the workers in all the working places. The capitalists are using their control over industry to destroy society with wars, unemployment and inadequate living standards. Industry must be for human service, not for the profit of the few. To bring this about is the mission of the working class, and the I. W. W. is the weapon of the workers to accomplish it.

From day to day, and here and there along the battle line of labor, skirmishes are taking place between the
forces of labor and the capitalist supporters. The results depend upon the ability of the workers involved to successfully embarrass the particular employers with whom they are in conflict, to a point where these capitalists are compelled to forego some of their surplus value. But as a gain in some industries by the workers at the expense of some capitalists threatens the surplus value of other capitalists, by encouraging the workers in other industries and other places to make similar attempts, and thus weakens the capitalist regime in industry, these other capitalists are always ready to lend assistance to their hard-pressed fellows. The workers, also, are learning that they too must place themselves in a position so as to assist their fellow workers in industrial conflicts. To do this more and more of the workers are becoming awake to the necessity of removing every barrier and impediment to class unity. The craft union idea is recognized as being fundamentally unsound and in practice is a sundering instead of a unifying force.

The Industry Organizing Unit

The workers must be made to see that their economic organizations must correspond with and to the arrangement in industry—that the industry must be the unit of organization to offer any prospect of success in the everyday battles of the working class. But, in increasing numbers, the workers are recognizing the class character of the struggle and realizing that the workers in the industries must be lined up along class lines. There must be one union of the workers, functioning in a purely economic sense.

Such an organization is the Industrial Workers of the World. Those who have read this little booklet through are urged to acquaint themselves with the principles, structure, methods and aim of the I. W. W.

Information and literature can be secured from General Headquarters of the I. W. W., 1001 West Madison Street, Chicago, Ill.

(THE END.)
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