

cheap and selling dear. But unless our reasoning up to this point can be proved fallacious, buying cheap and selling dear are out of the question as the relative values of commodities are predetermined by the socially necessary labor involved in their production.

It is true that a certain amount of fluctuation in the price of commodities, above and below their exchange value, actually takes place according to the supply of and demand for them in the market, but these fluctuations are almost negligible, as will be seen later, and cancel one another in the average. Moreover they offer no solution of our problem as to the source of profit.

Surplus Value.

The solution to this mystery is that buying and selling have nothing whatever to do with the making of profit. It is not in the process of exchange, but in that of production that profit comes in. Profit is acquired, not by paying less for a commodity than it is worth or by selling it for more than it is worth, but simply by not paying for it at all.

The chattel slaves, we have seen produced wealth, which belonged of course to their masters. In this wealth was embodied the labor of the slaves, that was its value. A certain amount of this wealth went to feed, clothe and house the slaves, the surplus accrued to the masters at no cost to themselves. The value of this surplus wealth would be surplus value.

The modern worker, the wage-slave is in much the same position. The wealth of the world is produced by the workers of the world. Its value is determined by the labor they have put into. It belongs to their masters, the owners of the means of wealth production, the natural resources, mines, mills, factories, etc. A portion of this wealth goes to feed, clothe and house the workers through the medium of wages. The remainder accrues to the masters, the capitalist class. Its value is surplus value. It costs them absolutely nothing. The workers have received all that is coming to them. Having produced all the wealth they have actually paid their own wages. The capitalists have done nothing except own the means of production. The wealth they thus obtain by virtue of their ownership is clear gain. Profit.