talist, is what he calls "surplus value"—a very important term in the Socialist vocabulary. The capitalist puts this "surplus value" into his pocket and uses it, let us suppose, to set up machines which will make his labourers do still more work and become more efficient. If by introducing labour-saving machinery, the capitalist can succeed in reducing the necessary labour time to four or five hours, he will then have a larger product to retain for himself.

Marx regards this as unjustifiable exploitation of the workers. They and not the capitalists should secure the advantage proceeding from the use of labour-saving machinery.

Capitalism a Necessary Stage.

The capitalistic era is, according to Marx, a necessary epoch which must, in time, give place to communistic production. Capitalistic production through the exploitation of the worker destroys its own market, since the worker has no money left with which to make purchases. Therefore, capitalistic countries, that is countries where the factory or capitalistic system of industry is predominant, are compelled to seek foreign markets for the goods they produce. For a time they can do this successfully; but when all the foreign markets are flooded with surplus commodities, when capitalistic industry develops in all countries, capitalism will end by working out its own ruin.

The Concentration and Expropriation of Capital.

One great capitalist, he holds, ever kills many small ones. Through the absorption of many capitalists by few —the trust movement—are developed large-scale production, the co-operative form of the labour process, the intelligent application of science to industry, the systematic exploitation of the soil, the bringing together of all the nations into one world market, and an era of international capitalism. The large capitalists are continually swallowing up the small capitalists, and thus the capi-