economy. If the quantity of labour realized in commodities regulates their exchangeable value, every increase of the quantity of labour must augment the value of that commodity on which it is exercised, as every diminution must lower it."

The value of a commodity is, therefore, according to Marx, the amount of abstract human labour embodied in it, and commodities ought to exchange for each other in proportion to the amount of labour which it costs to produce them. If a ton of coal costs, on the average, one day's labour, and two yards of cloth cost one day's labour, then the ton of coal ought ordinarily to exchange for the two yards of cloth. Or, if we are dealing in terms of our common denominator, money, we should say that one ton of coal costs as much as two yards of cloth. Commodities intended for exchange may, therefore, says Marx, be described as crystallized labour, and the value of the article is measured by the length of time which, on the average, is necessary to produce it.

Marx's work were written before the utility theory of value (see Lesson I.) came into common acceptance. He was in harmony with the best economists of his ti in holding what is known as the Labour Theory of Value. Marx errs, but in very excellent company.

Surplus Value.

Labour itself has, especially in these days of machine production, the unique property of producing more than is required to maintain the labourer. The capitalist pays for labour its cost of production (see Lesson XIII., page 7), and receives in return its product, which is worth more than it costs him. The labourer can, let us say, produce in six hours enough to keep himself and his family. Now the capitalist is able to make him work ten or twelve hours, and is able to appropriate the goods produced in the extra four or six hours, or at least the value of these goods. The first six hours' work is what Marx calls "necessary labour"; the value produced in the other four or six hours, the return for which goes to the capi-