WAGE-LABOR AND CAPITAL

By Karl Marx.

(Continued.)

Let us finally suppose that the money price of labor remains the same, while in consequence of the employment of new machinery or on account of a good season, or for some similar reason, there is a fall in the price of all agricultural and manufactured goods. For the same amount of money the laborers can now buy more commodities of all kinds. Their wages have therefore risen, just because their money price has not changed.

The money price of labor, the nominal amount of wages, does not therefore fall together with the real wages, that is, with the amount of commodities that may practically be obtained in exchange for the wages. Therefore, if we speak of the rise and fall of wages the money price of labor or the nominal wage is not the only thing which we must keep in view.

But neither the nominal wages, that is, the amount of money for which the laborer sells himself to the employer, nor yet the real wages, that is, the amount of commodities which he can buy for this money, exhaust the relations which are comprehended in the term wages.

For the meaning of the word is chiefly determined by its relation to the gain or profit of the employer—it is a proportionate and relative expression.

The real wage expresses the price of labor in relation to the price of other commodities; the relative wage, on the contrary, expresses the price of direct labor in relation to that of stored-up labor, the relative value of wage-labor and capital, the proportionate value of capital and laborer.

Real wages may remain the same, or they may rise, and yet the relative wages may none the less have fallen. Let us assume, for example, that the price of all the means of subsistence has fallen by two-thirds, while a day's wages have only fallen one-third, as for instance, from three shillings to two. Although the laborer has a larger amount of commodities at his disposal for two shillings than he had before for three, yet his wages are nevertheless diminished in proportion to the capitalist's gain. The capitalist's profit—the manufacturer's, for instance—has been augmented by a shilling, since for the smaller sum of exchange value which he pays to the laborer, the laborer has to produce a larger sum of exchange value than he did before. The value of capital is raised in proportion to the value of labor. The division of social wealth between capital and labor has become more disproportionate. The capitalist commands a larger amount of labor with the same amount of capital. The power of the capitalist class over the laboring class is increased; the social position of the laborer has deteriorated, and is depressed another degree below that of the capitalist.

What then is the general law which determines the rise and fall of wages and profit in their reciprocal relation?

They stand in inverse proportion to one another. Capital's exchange value, profit, rises in the same proportion in which the exchange value of labor, wages, sinks; and conversely. The rise in profit is exactly measured by the fall in wages, and the fall in profit by the rise in wages.

The objection may perhaps be made that the capitalist may have gained a profit by advantageous exchange of his products with other capitalists, or by a rise in the demand for his goods, whether in consequence of the opening of new markets, or of a greater demand in the old markets; that the profit of the capitalist may thus increase by means of overreaching another capitalist, independently of the rise and fall of wages and the exchange value of labor; or that the profit of the capitalist may also rise through an improvement in the implements of labor, a new application of natural forces, and so on.

But it must nevertheless be admitted that the result remains the same, although it is brought about in a different way. The capitalist has acquired a larger amount of exchange value with the same amount of labor, without having had to pay a higher price for the labor on that account; that is to say, a lower price has been paid for the labor in proportion to the net profit which it yields to the capitalist.

Besides we must remember that in spite of the fluctuations in the price of commodities, the average price of each commodity—the proportion in which it exchanges for other commodities—is determined by its cost of production. The overreaching and tricks that go on within the capitalist class therefore necessarily cancel one another. Improvements in machinery and new applications of natural forces to the service of production enable them to turn out in a given time with the same amount of labor and capital a larger quantity of products, but by no means a larger quantity of exchange value. If by the application of the spinning-jenny I can turn out twice as much thread in an hour as I could before its invention; for instance, a hundred pounds instead of fifty, that is because the cost of production has been halved, or because at the same cost I can turn out double the amount of products.

Finally in whatsoever proportion the capitalist classes—the bourgeoisie—whether of one country or of the market of the whole world—share among themselves the net profits of production, the total amount of these net profits always consists merely of the amount by which, taking all in all, direct labor has been increased by means of stored up labor. The sum total increases, therefore, in the proportion in which labor augments capital; that is, in the proportion in which profit rises as compared with wages.

Thus we see that even if we confine ourselves to the relation between capital and wage-labor, the interests of capital are in direct antagonism to the interests of wage-labor.

A rapid increase of capital is equal to a rapid increase of profits. Profits can only make a rapid increase, if the exchange value of labor—the relative wage—makes an equally rapid decline.

The relative wage may decline, although the actual wage rises along with the nominal wage, or money price of labor; if only it does not rise in the same proportion as profit. For instance, if when trade is good, wages rise five per cent, and profits on the other hand thirty per cent, then the proportional or relative wage has not increased but declined.

Thus if the receipts of the laborer increases with the rapid advance of capital, yet at the same time there is a widening of the social gulf which separates the laborer from the capitalist, and also an increase in the power of capital over labor and in the dependence of labor upon capital.

The meaning of the statement that the laborer has an interest in the rapid increase of capital is merely this: the faster the laborer increases his master's dominion, the richer will be the crumbs that he will get from his table; and the greater the number the laborers that can be employed and called into existence, the greater will be the number of slaves of which capital will be the owner.

We have thus seen that even the most fortunate event for the working class, the speediest possible increase of capital, however much it may improve the material condition of the laborer, cannot abolish the opposition between his interests and those of the bourgeois or capitalist class. Profit and wages remain just as much as ever in inverse proportion.

When capital is increasing fast, wages may rise, but the profit of capital will rise much faster. The actual position of the laborer has improved, but it is at the expense of his social position. The social gulf which seperates him from the capitalist has widened.

Finally, the meaning of fortunate conditions for wage-labor, and of the quickest possible increase of productive capital, is merely this The faster the working classes enlarge and extend the hostile power that dominates over them the better will be the condition under which they will be allowed to labor for the further increase of bourgeois dominion and for the wider extension of the power of capital, and thus contentedly to forge for themselves the golden chains by which the bourgeois drags them in its train.

But are the increase of productive capital and the rise of wages so indissolubly connected as the bourgeois economists assert? We can hardly believe that the fatter capital becomes the more will its slave be pampered. The bourgeoisie is too much enlightened, and keeps its accounts much too carefully, to care for that privilege of the feudal nobility, the ostentation of splendor in its retinue. The very conditions of bourgeois existence compel it to keep careful accounts.

We must therefore inquire more closely into the effect which the increase of productive capital has upon wages.

With the general increase of the productive capital of a bourgeois society a manifold accumulation of labor force takes place. The capitalists increase in number and in power. The increase in the number of capitalists increases the competition between capitalists Their increased power gives them the means of leading into the industrial battlefield mightier armies of laborers furnished with gigantic implements of war.

The one capitalist can only succeed in driving the other off the field and taking possession of his capital by selling his wares at a cheaper rate. In order to sell more cheaply without ruining himself he must produce more cheaply; that is, he must heighten as much as possible the productiveness of labor. But the most effective way of making labor more productive is by means of a more complete subdivision of labor, or by the more extended use and continual improvement of machinery. The more numerous the departments into which labor is divided, and the more gigantic the scale in which machinery is introduced, in so much the greater proportion does the cost of production decline, and so much the more fruitful is the labor. Thus arises a manifold rivalry among capitalists with the object of increasing the subdivision of labor and machinery, and keeping up the utmost possible progressive rate of exploitation.

Now, if by means of a greater subdivision of labor, by the employment and improvement of new machines, or by the more skilful and profitable use of the forces of nature, a capitalist has discovered the means of producing a larger amount of commodities than his competitors with the same amount of labor, whether it be stored-up labor or direct—if he can, for instance, spin a complete yard of cotton in the time that his competitors take to spin half a yard—how will this capitalist proceed to act?

He might go on selling half a yard at its former market price; but that would not have the effect of driving his opponents out of the field and increasing his own sale. But the need of increasing his sale has increased in the same proportion as his production. The more effective and more expensive means of production which he has called into existence enable him, of caurse, to sell his wares cheaper, but they also compel him to sell more wares and to secure a much larger market for them. Our capitalist will therefore proceed to sell his half yard of cotton cheaper than his competitors.

The capitalist will not, however, sell his complete yard so cheaply as his competitors sell the half, although its entire production does not cost him more than the production of half costs the others. For in this case he would gain nothing, but would only get back the cost of its production. The contingent increase in his receipts would result from his having set in motion a larger capital, but not from having made his capital more profitable than that of the others. Besides, he gains the end he is aiming at if he prices his goods a slight percentage lower than his competitors. He drives them off the field, and wrests from them, at any rate, a portion of their sale, if only he undersells them. And finally, we must remember that the price current always stands either above or below the cost of production, according as the sale of a commodity is transacted at a favorable or unfavorable period of business. According as the market price of a yard of cloth is above or below its former cost of production, the percentage will alter in which the capitalist, who had employed the new and profitable means of production, exceeds in its sale the actual cost of its production to him.

But our capitalist does not find his privilege very lasting. Other rival capitalists introduce with more or less rapidity, the same machines and the same subdivision of labor; and this introduction becomes general, until the price of the yard of cloth is reduced, not only below its old, but below its new, cost of production.

Thus the capitalists find themselves relatively in the same position in which they stood before the introduction of the new means of production, and if they are by these means enabled to offer twice the product for the same price, they now find themselves compelled to offer the doubled amount for less than the old price. From the standpoint of these new means of production the old game begins anew. There is greater subdivision of labor, more machinery, and more rapid progress in the exploitation of both. Whereupon competition brings about the same reaction against this result.

Thus we see how the manner and means of production are continually renewed and revolutionized, and how the division of labor necessarily brings in its train a greater division of labor; the introduction of machinery a still larger introduction; and the rapidity of progress in the efficiency of labor a still greater rapidity of progress.

That is the law which continually drives bourgeois production out of its old track, and compels capital to intensify the productive powers of labor for the very reason that it has already intensified them—the law that allows it no rest, but forever whispers in its ear the words "Quick march!"

This is no other law than that which, canceling the periodical fluctuations of business, necessarily identifies the price of a commodity with its cost of production.

However powerful are the means of production which a particular capitalist may bring into the field, competion will make their adoption general; and the moment it becomes general the sole result of the greater fruitfulness of his capital is that he must now, for times as much as before. But as he must disthe same price, offer ten, twenty, a hundred pose of, perhaps, a thousand times as much in order to outweigh the decrease in the selling price by the larger proportion of the products sold, since a larger sale has now become necessary, not only to gain a larger profit, but also to replace the cost of production; and the implements of production, as we have seen, always get more expensive; and since this larger sale has become a vital question not only for him, but also for his rivals, the old strife continues, with all the greater violence, in proportion as the previously discovered means of production are more fruitful. Thus the subdivision of labor and the employment of new machinery take a fresh start and proceed with still greater rapidity.

And thus, whatever be the power of the means of production employed, competition does its best to rob capital of the golden fruit which it produces by reducing the price of commodities to their cost of production; and, as fast as their production is cheapened compelling, by a despotic law, the larger supply of cheaper products to be offered at the former price. Thus the apitalist will have nothing by his exertions beyond the obligation to produce faster than before, and an enhancement of the difficulty of employing his capital to advantage. While competition continually persecutes him with its law of the cost of production, and turns against himself every weapon which he forges against his rivals, the capitalist continually tries to cheat competition by incessantly introducing further subdivision of labor and replacing the old machines by new ones, which, though more expensive, produce more cheaply, instead of waiting till competition has rendered them obsolete.

Let us now look at this feverish agitation as it affects the market of the whole world, and we shall understand how the increase, accumulation, and concentration of capital brings in their train an uninterrupted and extreme subdivision of labor, always advancing with gigantic strides of progress, and a continual employment of new machinery, together with improvement of the old.

But how do these circumstances, inseparable as they are from the increase of productive capital, affect the determination of the amount of wages?

The greater division of labor enables one laborer to do the work of five, ten, twenty; it therefore multiplies the competition among laborers, five, ten or twenty times. The laborers do not only compete when one sells himself cheaper than another, they also compete when one does the work of five, ten, or twenty; and the division of labor which capital introduces and continually increases, compels the laborer to enter into this kind of competition with one another.

Further: in the same proportion in which the division of labor is increased the labor itself is simplified. The special skill of the laborer becomes worthless. It is changed into a monotonous and uniform power production, which can give play neither to bodily nor to intellectual elasticity. Its labor becomes accessible to everybody. Competitors, therefore, throng into it from all sides; and besides, we must remember that the more simple and easily learnt the labor is, and the less it costs a man to make himself master of it, so much the lower must its wages sink, since they are determined, like the price of every other commodity, by its cost of production.

Therefore, exactly as the labor becomes more unsatisfactory and unpleasant, in that very proportion competition increases and wages decline. The laborer does his best to maintain the rate of wages by performing more labor, whether by working for a greater number of hours, or by working harder in the same time. Thus driven by necessity, he himself increases the evil of the subdivision of labor. So the result is this: the more he labors the less reward he receives for it; and that for this simple reason—that he competes against his fellow workmen, and thus compels them to compete against him, and to offer their labor on as wretched conditions as he does; and that he thus, in the last result, competes against himself as a member of the working class.

Machinery has the same effect, but in a much greater degree. It supplants skilled laborers by unskilled, men by women, adults by children; where it is newly introduced it throws the hand-laborers upon the streets in crowds; and where it is perfected or replaced by later improvements and more inventions, discards them by slightly slower degrees. We have sketched above, in hasty outlines, the industrial war of capitalists with one another; and the war has this peculiarity, that it's battles are won less by means of enlisting than of discharging its industrial recruits. The generals, or capitalists, vie with one another as to who can dispense with the greatest number of his soldiers.

The economists repeatedly assure us that the laborers who are rendered superfluous by the machines find new branches of employment.

They have not the hardihood directly to assert that the laborers who are discharged enter upon the new branches of labor. The facts cry out too loud against such a lie as this. They only declare that for other divisions of the laboring class, as, for instance, for the rising generation of laborers who were just ready to enter upon the defunct branch of industry, new means of employment will open out. Of course that is a great satisfaction for the dismissed laborers. The worshipful capitalists will not find their fresh supply of exploitable flesh and blood run short, and will let the dead bury their dead. This is indeed a consolation with which the bourgeois comfort themselves rather than the laborers. If the whole class of wage laborers were annihilated by the machines, how shocking that would be for capital, which, without wage labor, ceases to act as capital at all.

But let us suppose that those who are directly driven out of their employment by machinery, and also all those of the rising generation who were expecting employment in the same line, find some new employment. Does any one imagine this will be as highly paid as that which they have lost? Such an idea would be in direct contradiction to all the laws of economy. We have already seen that the modern form of industry always tends to the displacement of the more complex and the higher kinds of employment by those which are more simple and subordinate.

How, then, could a crowd of laborers, who are thrown out of one branch of industry by machinery, find refuge in another without having to content themselves with a lower position and worse pay?

The laborers who are employed in the manufacture of machinery itself have been instanced as an exception. As soon as a desire arises and a demand begins in an industry for more machinery it is said that there must necessarily be an increase in the number of machines, and therefore in the employment of laborers in this manafacture; and the laborers who are employed in this branch of industry will be skilled, and, indeed, even educated laborers

Ever since the year 1840 this contention, which even before that time was only half true, has lost all its specious color. For the machines which are employed in the manufacture of machinery have been quite as numerous as those used in the manufacture of cotton; and the laborers who are employed in producing machines, instead of being highly educated, have only been able to play the part of utterly unskilled machines themselves.

But in the place of the man who has been dismissed by the machine perhaps three children and one woman are employed to work it. And was it not necessary before that the man's wages should suffice for the support of his wife and his children? Was not the minimum of wages necessarily sufficient for the maintenance and propagation of the race of laborers? There is no difference, except that now the lives of four times as many laborers are used up in order to secure the support of one laborer's family.

To repeat our deductions—the faster productive capital increases the more does the division of labor and the employment of machinery extend. The more the division of labor and the employment of machinery extend, so much the more does competition increase among the laborers, and so much more do their average wages dwindle.

And, besides the laboring class is recruited from the higher strata of society, or else there falls headlong into it a crowd of small manufacturers and small proprietors, who thenceforth have nothing better to do than to stretch out their arms by the side of those of the laborers. And thus the forest of arms outstretched by those who are entreating for work becomes denser and the arms themselves grow ever leaner.

That the small manufacturer cannot survive in a contest whose first condition is production on a continually increasing scale—that is that he cannot be at once both a large and a small manufacturer—is self-evident.

That the interest on capital declines in the same proportion as the amount of capital increases and extends, and that therefore the small capitalist can no longer live on his interest, but most join the ranks of the workers and increase the number of the proletariat—all this requires no further exemplification.

Finally, in the proportion in which the capitalists are compelled by the causes here sketched out to exploit on an ever increasing scale yet more gigantic means of production, and with that object to set in motion the mainsprings of credit, in the same proportion is there an increase of those earthquakes wherein the business world can only secure its own existence by the sacrifice of a portion of its wealth, its products, and even its powers of production to the gods of the world below—in a word, crises increase. They become at once more frequent and more violent; because in the same proportion which the amount of production, and therefore the demand for the extension of the market, increases, the market of the world continually contracts, and ever fewer markets remain to be exploited; since every previous crisis has added to the commerce of the world a market which was not known before, or had before been only superficially exploited by commerce. But capital not only lives upon labor. Like the lord at once distinguished and barbarous, it drags with it to the grave the corpses of its slaves and the whole hecatombs of laborers who perish in the crisis. Thus we see that if capital increases fast, competition among the laborers increases still faster, that is, the means of employment and subsistence decline in proportion at a still more rapid rate; and yet, none the less the most fortunate conditions for wage-labor lie in the speedy increase of capital.

(The end.)

YOU'VE GOT TO COME TO IT

You have got to come to Socialism, Mr. Worker.

Though you fight and buck and prance and pull back, you will be drawn to the movement. So you might as well come willingly now.

The productivity of the machine is what is going to get you and get you hard.

You used to work twelve hours, then ten, now eight in many cases. Yet tens of thousands of you are out of work. And with the passing years the unemployed will increase far more rapidly.

Laboring with your hands with primitive tools, you kept your masters in idleness and luxury in the past, but you were kept busy doing it.

Nou you no longer work with your bare hands. You have giant machines doing the work. You merely guide them. In many cases machines are becoming absolutely automatic.

Thus the masters are kept in luxury beyond the dreams of a Nero, and yet the workers are largely idle. No matter how much the masters may waste, the machines of iron and steel and heat and electricity will provide for them in abundance.

And every day new inventions are put on the market which does the worker quicker and with less labor.

Where do you get off at?

Owing to competition among you for jobs, you work long hours and get a wage which will barely support you. The faster the machines work, the less time it takes your class to produce the necessaries you consume, and the more the product of your labor in conjunction with the machines go to the masters They revel in untold splendor and you live in untold misery of ever increasing unemployment.

Your only hope is for you and your class to own and operate the machines to feed you and your class.

When you get wise you can live in luxury upon a very little labor.

Judge Meredith and the C.P.R.

By Gumbo.

Judge Meredith goes on in his summary to say that C.P.R. track employes have some free transportation. He is just a little guarded and had need to be, because his knowledge of what he is talking about has never been acquired by actual rawhiding work; like a good little boy he has swallowed his pill without chewing it. Judge Meredith has never enjoyed the free transportation scheme of pumping all alone a handcar over 16 miles of track with maybe a strong wind impeding his progress. Judge Mereidth has never taken his chances of being suddenly and freely transported over the right of way fence by the cowcatcher of the engine suddenly touching the end of his handcar.

Judge Meredith has never enjoyed a free ride on the rods on the back of the tender. Judge Meredith being a puppet of the Shaughnessy cutthroat company, won't get kicked off the train if he desires to travel. You see Judge Meredith doesn't take any actual part in the maintaining of the road bed or the construction of the car. Such work belongs, according to him, to the lower order of humanity known as wage mules. If Judge Meredith felt that there was ever any chance of him having to tamp ties for $1.75 per 10 hours for six months before he would be entitled to a pass over the superintendent's division, he would most assuredly do something desperate

You don't find Judge Meredith working three years on the track, and, in return for a free trip to St. Johns, having to take a second class ocean ticket by the C.P.R. steamers. No, the C.P.R. won't carry its old country-bound employes free to St. Jonns except they purchase a second class ocean ticket, thus giving the company the extra amount. You see, C.P.R. employes landing as second class passengers in the old land give the unsophisticated untravelled relatives a good opinion of Canada's alleged prosperity, seeing that those same people were maybe forced to come out third class and are now able to go back second class. Then, did ever Judge Meredith have to pay $28.00 for free transportation of his household effects from one point to another whilst working as section foreman?

No, Judge Meredith, the C.P.R.'s methods of free transportation are not what you represent them to be.

Did you ever sign a contract with a C.P.R. employment shark in, say Edmonton, said contract being to the effect that you were to be carried to scene of work free, etc, etc., but suppose when you got there the bunk-car in which you were to have to sleep was full of holes big enough to put both feet through, the board enough to make a dog vomit, and the foreman crooked enough to enforce all the companys dirty schemes? In such an environment you worked for say ten days or more, and sick, tired and disgusted, you decided to quit. Asked for your money; was told you would get no money until the close of the season, and that if you attempted to run away from the job you would subject yourself to arrest and imprisonment for breach of contract, and be forced to pay the company the money you owed them for this free fare. Such a case as this took place in Alberta this last season. A charge of theft was charged up against a few Austrians who, utterly disgusted, thus quit the job. But when an Englishspeaking man who knew his way about, quit, and was refused his money for the time he had wrought, went and got a lawyer, they were glad to pay him what he had earned and let him go. So I have tried to prove beyond all doubt that the C.P.R.'s free transportation is well nigh inaccessible to most track employes. They are forced to work 313 days a year, without holidays. So what time for journeying has a track stiff got after that unless on Sundays he should care to run his finger over the black lines on the map-page of C. P. R. folder, and fancy himself as did the writer of Revelations, standing in streets of cities far way. So, young man, if you think the C.P.R. is going to haul you free of charge over hill and dale because you work with a shovel, you are mistaken.

Had your parents given you enough education in your youth to enable you to become a boot licking puppet like Judge Meredith then you might have had some chance of a free ride.

But never mind, the Judge says you get free transportation, so that ends it. He is paid to say that, and would you believe it! You do the paying! Yes you, just you by prostituting your noblest physical and mental powers to the getting of a mere meal ticket for yourself and allowing the rest of what you earn to go to help paying Judge Meredith to lie against you and help the company to steal from you. When are you going to start filing at your chains? When are you going to awake to a true sense of your condition and take your place in the ranks of those who protest against and work for the overthrow of this system of robbery?

WORK

No, Socialists do not want work.

The capitalists are so generous. They talk about giving the working class work. They talk about the blessings of work.

The Socialists are perfectly willing to be generous to the capitalists in the same way. We are willing to give them their share of the useful work to be done.

When we suggest this, how the plutes howl. They call it confiscation, and dividing up with the lazy and anti-religious and immoral.

We are perfectly willing to divide up the work with the lazy capitalists and the capitalists get mad.

For an unreasoning, passionate, selfish creature, just exhibit a human being who has got next the graft which comes from exploiting the working class.

The poor foolishly imagine that they cannot get along without the rich, but they can, and much better than with them. Study Socialism, and see where the rich class are an incubus on the workers.

Capitalism means a gradual concentration of wealth and power into a few hands.