

"SURPLUS VALUE"

Socialist Explanation of This "Key-Note Socialism"

Readers of The Independent have undoubtedly heard from socialist speakers about "exploitation of labor," "surplus value," etc., but perhaps have not a very clear idea of what it meant. The following, reprinted from the Weekly People (N. Y.) will doubtless aid in a better understanding of the Marxian idea of "surplus value." Aside from the statement that "the amount of labor embodied in a commodity determines its value"—which leads irresistibly to the fallacy of "intrinsic value," or value within a thing, there is much truth in the article. Undoubtedly if each person who performs useful labor were to receive in exchange for his service an equivalent, it would be absolutely impossible for any man to accumulate the wealth of Carnegie or Rockefeller, except in one or both of two ways: He must steal it (under cover of legal enactments or otherwise) or he must have it given to him.

Perhaps the whole statement might be boiled down to one of theft under the guise and sanction of law, assented to by the persons robbed under a misapprehension of facts. But whether theft or gift, the fact remains that Carnegie and Rockefeller did not produce the wealth in their possession. The socialist writer, "T. R." in Edinburgh Socialist, says:

A very common, and very important term in studying socialism is the term "surplus value," and in fact a clear understanding of what surplus value is is the key-note to socialism. In "Capital," that great work of Marx's, which lifted socialism out of the region of the purely ideal, or utopian, into the region of proof and economic science—in that work a large part is devoted to the explanation of this term. It goes without saying that every one who even pretends to understand socialism should have read and studied this work; but it also goes without saying that very few have done so. The reasons are various and need not be gone into just now. For the benefit, however, of those who have not read Marx, or have forgotten what they read, it may not be inadvisable to summarize "in a nutshell" the meaning of this term, surplus value.

It can be seen at a glance, that if an employer paid each workman the value of his labor, there would be no surplus value, no profit. Taking the case of a workman in a foundry: if his wages are \$7.50 per week, and he works 56 hours, he is paid slightly over 12½ cents per hour. But these same goods when placed upon the market have a price by far exceeding this original cost to the employer, say, for a week's work, cost of material \$7, labor power \$7.50, total \$14.50. He may, and does get the value of his goods expressed in money at the rate of \$50 for the week's work, hence the surplus value, the profit. If this difference of \$35.50 be multiplied by the number of workmen and of the working weeks per year, we find how it is possible to accumulate large fortunes after the style of a Carnegie or a Rockefeller. But you ask, how does this difference in the price of wage-labor and the selling price of the commodity arise? That is the point. The amount of labor embodied in a commodity determines its value. Labor power or the capacity to labor, which the workman sells to the capitalist is the only value-creating commodity, which the capitalist can buy, and it has this peculiar property, that, by destroying it or using it up you create fresh value.

If, therefore, this labor power can be bought at its barest cost of production, that is, at the amount which can keep the laborer going, and enable him to procreate more laborers, the difference between the value which his labor creates and the cost of subsistence, that is his wages, will give us the secret of this surplus value. That is simply to say, it is "unpaid labor." If he, the laborer, creates value (assuming value the same as our price already taken) at the rate of 88 cents per hour, we see that he only requires to work slightly more than 8½ hours per week! Instead of this he works 56! And that is how surplus value is made.

Suppose him to have even an 8-hour day, he is still working practically 5 days per week for nothing for his employer. This is what Marx calls 5 days of "surplus" labor time to the boss, and practically one day necessary labor time for the production of the workers wage. The working day, therefore, determines the amount of exploitation. And should this be compulsorily reduced by act of parliament or otherwise, the capitalist loses a portion of his surplus value or "profits," unless he can increase the productiveness of his laborers in the

shortened working day. This he can do by the introduction of machines, more scientific methods, etc. Here is where you see, that every fresh improvement or invention in machinery must under capitalism, simply put more money into the pockets of the capitalist class. By the help of machinery, the workman can produce twenty or a hundredfold as much as he could formerly without it, and the "profits," the surplus value increases accordingly; selling prices, of course, may fall, but that is another part of the subject to which we shall return.

Readers of The Independent who have followed closely Capt. Ashby's articles on Money and the Taxing Power may not agree with "T. R." that the "amount of labor embodied in a commodity determines its value." The verb transitive, "determine," means "to fix the boundaries of; to mark off and separate; to set bounds to; to bring to an end; to finish; to fix the form or character of to shape; to prescribe imperatively; to regulate; to ascertain definitely," etc. Does the amount of labor embodied in a commodity determine its value? Does it "ascertain definitely," "set bounds to," or "prescribe imperatively" the value of the commodity? We think not.

As Capt. Ashby has well shown, the energy expended by man in overcoming the adverse forces of nature results in production. By the expenditure of this energy he so overcomes these forces or changes their direction as to result in one or more of three things: A change in form; a change in location; or a change in time. The last, however, is resolvable into the first; Captain Ashby speaks of canning or drying fruits as an example; but this is a change in form which permits existence for a longer period in the new form than in the old.

In the new form or in the new location, the transformed or transported article may be made to serve the possessor beneficially. This is utility—but not value. This utility arises from the inherent qualities of the article itself and its accessibility. A loaf of bread out of the reach of any human being has no utility, although it may have the same chemical elements as the one at hand.

Quite apart from the question of exchange, the possessor or would-be possessor of a thing which may be made to serve him beneficially, regards that thing not in the light of what amount of human energy was expended in bringing it to its present form and location, but in the light of how much of his energy he can save by its possession. It may have required ten hours expenditure of energy to produce it, but with that the possessor or would-be possessor is not concerned.

To the one in possession, the thing in possession may mean the saving of his energy for a period of fifteen hours. He will not part with it for anything else, unless the new thing seems likely to save him the expenditure of his energy for a longer period than fifteen hours. To the one out of possession, the thing he desires must seem likely to save him expenditure of energy for a longer period of time than the thing he offers in exchange for it. Otherwise there would be no desire to exchange.

These different estimations of what a given thing will save in the expenditure of energy, grow out of the widely varying capabilities of men. One is an expert hunter, but is a miserable bungler in making bows and arrows. Another makes excellent bows and arrows, but is a failure in the chase. Thus division of labor arises. And exchange follows as a matter of course.

But in making exchanges, men expend energy to overcome the adverse possession of another. This is wholly different and distinct from expending energy to overcome the adverse forces of nature. The latter can result in nothing else than production of wealth (except in extreme cases, like "digging post holes and filling them up again.") The former can result in nothing else than force of demand (except in extreme cases, like "swapping dollars.")

Value is an estimated quantity of the force of demand acting upon the supply of wealth. It is not "determined" by the amount of labor embodied in the commodity—for of that the possessor or would-be possessor cares nothing. "What will this do for me now or in the future?" is the question he asks himself; "will it serve me more beneficially than that which I am willing to part with in exchange for it? Will it conserve more of my energy than if I should undertake to produce it myself?" And the multitude of these questions—seldom asked in words, but always understood—are the source of the force of demand.

Energy expended in overcoming the

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adverse forces of nature never effected an exchange. Energy expended in overcoming the adverse possession of another never produced a commodity. And value is not determined at all—it is estimated. The estimated quantity of the force of demand acting upon a given commodity is the value of that commodity. When expressed in terms of money, this estimation is termed "price."—De France.

ZOOLOGICAL KINGS.

Any one of the many rare wild beasts and amphibia exhibited only in the enormous Adam Forepaugh and Sells Brothers' combined Natural Kingdom collections would be grandiloquently carded by ordinary menageries. Nowhere else will you see a school of trained seals and sea lions, a monster two-horned Sumatra rhinoceros, giant male hippopotamus, full grown, snow-white polar bear, great African eland, singular Ethiopian gnu, or horned horse, adult Orinoco tapir, and splendid Niger antelope. And with these are associated the three greatest distinct herds of best educated elephants and every wild beast of every species worth showing. It is unquestionably the most complete, interesting and instructive exhibit of its kind.

Omaha Strike.

The organized laborers down in Omaha, who doubtless aided materially in the election of Mayor Moores, and thereby sanctioned republican machine methods, are now getting a taste of government by injunction. Wednesday Judge Munger granted a temporary order issued to the drivers' union enjoining it from—

First—In any manner posting or keeping posted at or about the places of business of your orators, or any of them, pickets instructed or directed to challenge, stop, threaten or intimidate any of the employees of your orators, or all or any of them, from proceeding with their work and service as such employees, and from in any manner interfering with any of the employees by violence, threats or personal injury, calling of vile names or offensive epithets, or any other conduct calculated or intended by intimidation or humiliation to prevent any of the employees of your orators, or any of them, from continuing in said employment, or performing the services for which they are employed.

Second—From congregating about the teams, wagons or employees of your orators and demanding and commanding that the employees shall desist from their employment.

Third—From ordering, directing or inciting any other persons to threaten, assault or by the use of profane or vile epithets to intimidate any employees, or to seek in any way by violence or threats of violence or injury to property or to persons to prevent the employees from continuing in the service of their employers.

Fourth—From following the employees to their homes, or other places, for the purpose of intimidation, and from attacking, assaulting or injuring any of them and from publishing any orders, statements, rules or directions by the officers of the said team drivers' international union, or of any other similar organization, commanding and enjoining under the pain of personal violence, or other persecution, any of the employees from continuing in the service of their employers; and further restraining and enjoining the team drivers' international union, local No. 71, its officers and members, from continuing said organization, and from continuing in combination or agreement to restrain commerce between the states by any agreement or concerting of action to prevent the moving of freight and merchandise while in transit as an article of interstate commerce, and from continuing any compact or agreement among themselves to restrain or prevent such moving of merchandise while in transit, in course of shipment between any points within the city of Omaha, and any point outside

Field & Andrews, Attorneys, 405 Richards Block.

NOTICE

Notice is hereby given that at a regular meeting of the Board of Trustees of the Village of College View, Nebraska, held on Saturday, May 2d, 1903, the following estimate of the expenditures of the Village of College View for the fiscal year commencing May 5th, 1903, was made, to-wit:

BE IT RESOLVED by the Chairman and the Board of Trustees of the Village of College View, that the estimate of the probable amount of money necessary for all purposes to be raised in said Village of College View for the fiscal year commencing May 5th, 1903, together with the various objects and purposes of expenditure, is as follows:

1. For general purposes \$80.00.
2. For streets and alleys \$100.00.
3. For fire protection \$400.00.
4. For street crossings, sidewalks and bridges \$200.00.

Total estimated expenses for the fiscal year commencing May 5th, 1903 \$780.00.

Total revenue of the village for the fiscal year ending May 5th, 1903, \$600.87.

Approximate amount of funds on hand May 5th, 1903, \$350.00.

WILLIAM DYMOND,
Chairman of Village Board.
DAVID J. WEISS,
Village Clerk.
Dated College View, Neb., May 6, 1903.

Fred'k Shepherd, Lawyer, Richards Bldg.,
Lincoln, Nebr.

NOTICE

To George H. Secrest,
Take notice that on the 23d day of April, 1903, Bertha Mark Secrest filed her petition in the District court of Lancaster county, Nebraska, against you, the object and prayer of which are to obtain a divorce from the bonds of matrimony with you on the ground that you have willfully abandoned her for more than two years last past, and on the further ground that, being of sufficient ability to provide maintenance for her, you have grossly, wantonly and cruelly refused to do so.

You are required to answer this petition on or before the 22d day of June, 1903.
Dated May 5th, 1903.

BERTHA MARK SECREST.

CASH For your Farm, Business, Home, or property of any kind, no matter where located. If you desire a quick sale, send us description and price. Northwestern Business Agency, N 313 Bank of Commerce Bldg., Minneapolis, Minn.

of Nebraska, or in any way interfering with the business of employers, while engaged in interstate commerce, so long as this restraining order remains in force, or until the further order of this court.

It is further ordered that a copy of this order, certified under the hand of the clerk and the seal of this court, be served on each of the defendants to be restrained thereby, and that said defendants and all persons who shall have knowledge of such writ, or upon whom it may be served, shall be thereby and thereafter enjoined from doing or counseling or inciting any of the acts set forth above restrained hereby. The term employee is used as applying to employees engaged in interstate commerce.

More than 300 members of the team drivers' union are named in the petition for the restraining order and a copy of the order will be served today on each of them.

ANOTHER PROFITABLE INVESTMENT

The investing public are invited to become interested in the underwritten issue of a company just organized. This company has well directed objects in view; is strongly represented; possesses very valuable assets; has no liabilities; offers to underwriters a really good opportunity. BETTER EVEN THAN ALL OUR OTHERS WHICH HAVE MET WITH SUCH BRILLIANT RESULTS. Underwriters offered underwritten stock at 10 cents per share, receiving 3 shares bonus stock on Feb. 1, 1904, or at 2½ cents per share. This stock will rise to \$1 in the very near future. For further particulars apply immediately to THE MINES EXCHANGE, Limited, Fiscal Agents, Box F. 1006 112 Clark st., Chicago, Ill.
