



# POLITICAL ECONOMY

## 1. WHAT IS EXPLOITATION?

I suppose everyone at some time or another has met the man — usually a hawker or small shopkeeper — who thinks he has discovered the secret of this world. 'Buy cheap and sell dear! Those who do get rich. Those who don't stay poor'.

It sounds obvious. But is it? Let us look at the majority of the people, who are workers of one kind or another — in factories, farms, mines and offices. They all buy things, it is true. But not to resell them at a profit but to use them, eat them, wear them. So the 'secret of the world' cannot apply to them.

But what about others — the bosses and owners of the farms, factories and mines? They buy many things to put together into the products they sell — raw materials, machines, buildings and so on. And some no doubt buy these commodities cheaply — below their real value and some buy them above their real value. But they buy these things all the time from one another — not from those of us who work.

So if all those buying cheap are getting rich, and all those selling cheap getting poor, half the bosses and the owners would be growing richer — and the other half poorer.

But our eyes tell us this isn't so. All of them are getting richer, or staying rich. Very few of them are growing poor. So here is a puzzle! How can almost all of them get rich when they are all buying and selling to each other? Where does the profit come from?

This is not a new puzzle. Over 150 years ago Karl Marx spent his life trying to solve this puzzle and so get to really understand the secret of our world. And his solution, when he reached it, was both very important and very simple.

He looked away from the goods the bosses sell to one another, and towards the one thing they buy from the working people — labour! And suddenly the puzzle began to come clear. Labour, work was the clue! Work is the secret ingredient that is buried in every product brought to the market. Labour — buried deep in the pro-

duct — is what changes sand into bricks, and sticks into furniture!

Marx was the first to see that when a boss buys your power to labour for a fixed number of hours each day, he pays you the minimum he possibly can to make sure that you can continue working and that you will produce future generations of workers. But when you have finished a day's work, the wage which you get is always less than the value you have added to the product which the boss sells on the market.

Marx saw our world clearly divided into two great classes — the bosses who own all of what he called the 'means of production' (mines, factories, machines etc) and the workers who have nothing to sell but their ability to work. This is the society called 'capitalism'. In it, he saw, the workers will forever be poor and the bosses will forever be stealing for themselves that part of the workers' labour for which they have not paid.

Here is the real solution to the puzzle. It is one we will return to in future issues of this paper.

It is as if a man buys a cow at a market and pays its full value. But overnight, in his barn, it goes into labour and in the morning he finds he has a cow and a new-born calf — more value than he had bought and paid for. So too **Labour Power** — bought and paid for at its full value, produces greater value when converted into products for the market in which labour is buried.

Marx called this greater value **surplus value**. And the puzzle was solved! **Surplus value** is created out of the toil of the workers. But it is taken by the employers for themselves, because they own the land, the machines, and thus also the products brought to market. Workers therefore, are **always** being robbed of that part of their day's work which creates these 'surplus values'. This is what we mean when we say that the workers are exploited, and that the rich of this world make their profits from the sweat of the working people.

**END EXPLOITATION OF MAN BY MAN!**