

Wage Robbery – or how Profit is made

The following extract from a Builders Labourers Federation Journal from early 1960s shows how workers create surplus value from which profits are extracted. The Builders Labourers Federation was a disciplined, militant union organisation of building workers who won good wages and conditions over many years of hard struggle between 1950s and the late 1980s. The leadership of the BLF not only organised builders' labourers in the day to day battles with the boss, but paid close attention to the Marxist economic and political education of workers. They linked the immediate economic struggles of the working class to the capitalist exploitation of workers. This points to the inevitable conclusion that there's no such thing as "a fair day's work" under the exploitative system of capitalism and workers wages and conditions will always be under attack. Only a fundamental change in the ownership of society's wealth, created by workers, can bring about an end to exploitation of workers.

We encourage all worker activists to undertake similar Marxist examination of their work, struggles and industries and take this knowledge to all workers and working people. This Marxist understanding is also an important and useful organising tool in the day to day struggles of workers.

Karl Marx, great revolutionary and fighter who lived in the last century discovered what is known in political economy as "Surplus Value".

Marx's theory of Surplus Value lays bare the exact relationship between Capital and Labour. It demonstrates precisely how, in capitalist society, the exploitation of the worker by the capitalist takes place.

The capitalist, on the one hand, owns the means of production – the factories, the machines, the land, the mines, the ships, etc.

The worker, on the other hand, owns none of the means of production.

He does however possess just one commodity which is necessary to the production process. He has his labour power – and it is all he has to sell. And

sell it he must if he is to live, maintain his family and thus provide a new supply of labourers.

The question is – What is the value of this commodity, Labour Power, which the worker must sell in order to live?

Marx showed that the value of Labour Power was determined in exactly the same way as the value of any other commodity – i.e. by the "socially necessary (average) quantity of labour embodied in its production."

The value of the commodity, Labour Power, is determined by the quantity of labour necessary for the maintenance of the ability of the labourer to work. Thus, if he is able to keep working through a day and keep going again tomorrow he needs a certain minimum of food, clothing and shelter for himself and his family. (By keeping his family he is also ensuring the future supply of labourers for the capitalists) His wages are thus determined. This is the Price he is paid for his Labour Power or its value expressed in terms of money.

But then, if the worker is paid for his Labour Power according to its full

Value, how then does the boss make a profit? This is a key question.

The capitalist hires the worker for a definite time – say 8 hours. According to the circumstances, it may take only 4 hours (maybe 3 or 6) for the worker to produce Value equivalent to that of his Labour Power.

But for the remaining 4 hours the boss has the use of that Labour Power which continues to produce Value. This is known as Surplus Value. The Labour Power expended during this period is not paid for – it is "unpaid labour".

The employer "owns" the product of the worker's labour, including his "unpaid labour". By seizing this Surplus Value the capitalist builds up his wealth – which is really unearned income. This is the crux of capitalist exploitation.

It is why Time is so important to the boss – why he will always try to speed up the worker, extend the length of the working day and ignore safety and health regulations.

The diagram below illustrates to some extent how this wage robbery takes place. This is how Profit is made.

8 hour working day

1	2	3	4	5	6	7	8
4 hours paid wages				4 hours unpaid Surplus Value			

8 hour working day with increased productivity

1	2	3	4	5	6	7	8
3 hours paid wages			5 hours unpaid Surplus Value				

8 hour working day plus unpaid overtime

1	2	3	4	5	6	7	8	9	10
4 hours paid wages				6 hours unpaid Surplus Value					

"Now and then the workers are victorious, but only for a time. The real fruit of the battle lies, not in the immediate results, but in the ever expanding union of workers."

"Instead of the conservative motto: 'A fair day's pay for a fair day's work' the workers ought to inscribe on their banner the revolutionary watchword 'Abolition of the wages system'".



Ark Tribe's case has been adjourned yet again. In spite of all the legal games, his support continues to grow. This might explain the difficulty the ruling class is having in dealing with this courageous and defiant worker.

Crying poor!

Twiggy Forrest in his workman's clothes,
(With his workman's bank account - as everybody knows!)
Will be forced to live on the bones of his arse,
If he's taxed at the level of the working class.

Gina Reinhardt, looking very sad,
"It's all my money - I got it from my Dad";
But that bastard pinched it from the labouring crew -
The work of the many for the wealth of a few.

A resource profit super tax,
Such a mild move for all their wild attacks,
When we socialise the mines at a later hour,
Then we'll see them weep 'cos we'll hold state power.

And we'll dress Mr Twiggy like a working man,
And he can irrigate the desert with a watering can,
Which we'll fill forever down the years,
With Gina Reinhardt's well-deserved tears!