

The Term "Use-Value" in Economics

For the Defence

"USE-values," says Marx, "become a reality only by use or consumption." That is to say, the utility of an object depends on its power to satisfy some human want and that there is thus established an actual relationship between these external objects and human beings. There is the useful thing and the individual who uses it. We may therefore consider use-values from two points of view. First, the **objective**, which refers to the properties and qualities, chemical and physical, of the object, its form and its position in space and time. Secondly, the **subjective**, which concerns the wants and desires of man and the satisfaction he experiences in the use of the object. It may be well to note here that it is the first point of view which will be emphasized, where it is a question of **production**. In capitalist society the manufacturer is not concerned about the individual satisfaction or desires of people; he is producing for profit, not use. True enough, the things he produces must have some use, real or imaginary, so that people will buy them; but this is a secondary consideration so far as he is concerned. On the other hand, the subjective point of view naturally connects itself with the idea of **consumption**. For this reason many bourgeois economists begin their study of economics by a consideration of the facts of consumption rather than production, believing, as many of them apparently do, that this particular point of departure is of advantage to them in their role of apologists for capitalism. As a matter of convenience, I shall use the term "utility" to signify "use-values," subjectively considered.

Necessities and wants, every individual has. These wants are back of his desires, his efforts and his satisfactions. It may be said that the want gives rise to the desire; the desire leads to the effort, and satisfaction follows the successful effort to appropriate the material things of nature. It is usual at this point to enumerate the various characteristics of these wants.

(1) They are **unlimited in number** and, considered as a whole, are never satisfied. This is increasingly true as man progresses in knowledge and culture. Civilization may be said to consist of just this multiplication of wants and the development of the means of satisfying them.

(2) Wants are **limited in capacity**. That is to say that, at any given time, only a given quantity of any one object is enough to satisfy any particular want. Further, the want becomes less intense in proportion as it approaches the point of satiety. Upon this particular characteristic is founded the law of "diminishing utility." This law I shall take up presently.

(3) Wants **compete with one another**, that is to say that a man has a certain choice among those things he desires and may distribute his efforts in such a way as to obtain the greatest possible satisfaction commensurate with the effort expended. Upon this characteristic is founded the "Law of Substitution" which is somewhat important in that it acts as a limit on monopoly prices. In case these prices become oppressive one utility may be substituted for another, as, for instance, coal-oil for electricity.

(4) Wants are **complementary**, that is, they necessitate others and lead to the development of still others. For example, the automobile has brought about the introduction of a number of subsidiary utilities and industries for supplying them.

(5) Wants tend to become **habitual**. Even when more or less artificial they become fixed and pass into habits. In this way we may account for the growth and stability of the **standard of living** which is so important a factor in the determination of wages.

Desirable things, things which satisfy wants are called "utilities." I shall here quote from Prof. Stanley Jevons.

"Utility, though a quality of things, is no inherent quality. We can never, therefore, say absolutely that some objects have utility and others have not. The ore lying in the mine, the diamond escaping the eye of the searcher, the wheat lying unreaped, the fruit ungathered for want of consumers, have no utility at all. The most wholesome and necessary kinds of food are useless unless there are hands to collect and mouths to eat them sooner or later."

Now then, as the utility of the object depends upon the want, it follows that it must vary according to the intensity of the desire occasioned by that want.

This is where Jevons brings in his famous water illustration which, as I have not his book by me, I shall give in the words of Prof. Charles Gide of Paris.

"Let us suppose, for example, that the quantity of water that I have at my disposal daily is distributed into a number of buckets. The first bucket is to serve for quenching my thirst; it will have a maximum utility. The second is to serve for cooking purposes; its utility will be less, but still great. The third I shall use for washing myself; its utility will be less still. The fourth is to be given my horse to drink, the fifth is to water my dahlias, the sixth to wash my kitchen floor, and the seventh is of no use to me at all. I shall not even trouble to draw it from the well. And if some evil genius were to amuse himself by bringing me a tenth, twentieth or hundredth bucket, till I was nearly deluged, not only would these last not be useful, but they would be a positive nuisance. These buckets, therefore, offer a complete gamut of diminishing utility, from infinity to zero and even below. Now then, no one of these buckets of water can have a higher value (use-value) than is measured by the utility of the last one which it was worth while to draw, so long as they are freely obtainable. . . . Let us now, therefore, put out of our minds all idea of the order of the buckets, as the numbering of them was resorted to only to help out our proof, and is no longer of any use. For it is evident now that all the buckets are identical and interchangeable, and that consequently they have all the same value, (use-value?) This value is precisely that which corresponds to the last want satisfied or frustrated."

Each unit, in this case a bucket of water, of the product or commodity consumed is called an **increment of supply**. The utility of the first unit, which in this case is absolute is called the **initial utility**. The potential utility of an increment not actually possessed or consumed is called the **marginal utility**. It will be noted, however, that in the example, we have assumed that the consumption of water is carried to a point beyond which further consumption would give no satisfaction, and therefore the marginal utility in this case is 0. But if we had assumed that the consumption had stopped at bucket 3 or 4, as the case maybe, then the marginal utility of the consumption would be represented by the utility of that particular unit.

Final or marginal utility must be carefully distinguished from **total utility**. The latter consists in the sum of the utilities, added together, of all the buckets of water, and is, therefore, always much greater than the utility of the last alone. This is why the total utility of water is immense, although the utility of a single bucket of water may be very small. I shall wind up this part of the proceeding by stating the law of diminishing utility in the words of Prof. R. T. Ely of Wisconsin. "At any given time the marginal utility of any commodity to its owner decreases with every increase in the stock of it."

Next week I shall take up the alleged connection between this concept of utility and exchange value.

GEORDIE

THREE of the men, Pritchard, Johns and Soldier Bray, charged with seditious conspiracy by the Canadian Government are at present in British Columbia, and will address meetings at various places in order to put their case before the people. In fairness to these men and the rest of their comrades, all who can should attend their meetings, because their case has been most vilely misrepresented by the capitalist press as part of an organized campaign, fostered by capitalist interests, to prejudice the people against them. The movement to convict these workers is but a part of a larger, more ambitious program to reduce the working class movement in Canada to impotence; to shear its strength and virility at a time when strength and virility were never more needed.

The present day British law has been built up gradually on hundreds of years of experience. During this time, purely bourgeois parliaments, jealous for the safety of all the prerogatives of their class, have labored to add measure upon measure and amendments to measures to the statute books. The greatest legal minds for centuries have been exercised in eliminating weaknesses and establishing the strength of the legal structure by building precedent upon precedent. In addition to all this accumulated composite structure of thou shalt and thou shalt nots, the bourgeoisie government in Ottawa have at their command all the coercive power of the centralized capitalist state. This power they have used, overstepping even their legal powers ruthlessly, in their anxiety to procure evidences to secure conviction. Arrests without legal warrants, searches of premises without warrants, the seizure of literature, account books and correspondence without request or acknowledgement, the secret examination of the mails, the intrusion of stool pigeons into the confidence of those in the working class movement for the purpose of reporting every scrap of private conversation or of public address which might be construed against them, with all these advantages and more in the hands of the prosecution, yet the case against these men is so weak that the interests seeking their conviction must trample under foot every last canon of fair dealing that associated men must observe to preserve that status of existence. The almighty power of the press is invoked and even the farming district from which the jurymen must be drawn is flooded with anonymous leaflets, villifying the men and the ideals for which they stand. How then shall these men escape the toils woven around them? The only way is for the people to move in their behalf. But to reach the people, to correct their misconceptions! The Socialist and labor press reaches but a fraction of the people. And yet withal in spite of obstacles, we can not desert these workers in the working class cause. To do that would be an assault on the fundamental principle of class solidarity. Let us look back over the pages of history for our guide. Who are those whom we most delight to honor? Is it not those who fought bravely even against great odds: those who attacked their problems with energy and courage? For those who were laggard or laid down in the fight, they have our contempt and condemnation. Be assured these sentimental regards are sound and true, because they are man's serviceable reactions to the conditions of his age-long successful struggle for existence. Support these men by spreading the truth about all the circumstances surrounding their case. Support them in every way possible.

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