"THE UNSOLVED RIDDLE"

THE Vancouver "Province" of Saturday, Sept. 13, contains the third of Professor Leacock's weekly articles on the causes of the social unrest. In this third article he examines critically the "natural liberty" doctrines of individualism which all men held to be "self evident truths" in the 18th and 19th centuries.

The professor tells us that the economists and leading thinkers of that period taught that the greatest possible happiness and social well-being would ensue in a society which adapted its policies to what they conceived as "natural laws." It was conceived that each man, having his "natural liberty" and having entered into free competition with his fellows in the selling of goods and services, would then have allotted to him, as a result of the competitive struggle, just that due reward warranted by his ability and activity. Thus from this premise it is deduced that the laborer for $2 per day, gets the full value of his labor, that being all the value, it is conceived, that he creates. It is thus with the production engineer or manager or the president of a corporation, each and all are rewarded according to the dictates of a natural law which automatically registers in wages or salary the value of their labors in the productive process.

He shows that this appears to be borne out when we examine any particular business, as no employer can afford, all other things being equal, to pay higher wages than his competitor any more than he can jump out of his skin or if he does pay more he does it at the expense of degenerating into a philanthropist and so to ultimate bankruptcy as a capitalist. Nevertheless, he says, because people look at but a fragment of the structure they draw erroneous conclusions. Because one brick in a wall is immoveable, they forget that the wall itself might be rebuilt. "But this," he continues, "as a matter of pure economics does not interest the individual employer a particle . . . it has nothing to do with business. But to society at large, it is of infinite importance.

"But consider for a moment the peculiar nature of the limitations themselves. Every man's limit of what he can pay and what he can take, of how much he can offer, and how much he will receive is based on similar limitations of other people. They are reciprocal to one another. Why should one factory owner not pay ten dollars a day to his hands? Because the others don't. But suppose they all do, then the output could not be sold at the present price. But why not sell the produce at a higher price? Because at a higher price the consumer can not afford to buy it. But suppose that the consumer for the things which he himself makes and sells, or for the work which he performs receives more? What then." . . . He says, in despair, "One searches in vain for the basis on which the relationship rests. And at the end of the analysis one finds nothing but an anarchical play of forces, nothing but a give and take, resting on relative bargaining strength. Everyone gets what he can and gives what he has to." But, he says "the earlier economist held, so he thought, the thread . . . and this thread was his "'fundamental equation of value,'" whereby each thing and everything is sold (or tends to be sold) under free competition at its cost of production. . . . Here was your selling price as a starting point. Given that, you can see at once the reason for the wages paid and the full measure of the payment. To pay more is impossible. To pay less is to invite competition that will force the payment of more. Or take if you like, the wages as the starting point; . . . the selling price will exactly and nicely correspond to cost. True a part of the cost concerned will be represented not by wages but by cost of materials, but these, on analysis dissolve into past wages. Hence the whole process and its explanation revolves around this simple fundamental equation that selling value equals the cost of production."

Just here the professor performs the cuttle fish act. He decends to logic chopping. First he says, the economists proposition is a fallacy. Then he says it is as true as that two and two make four. Then he says that it is like the latter statement and means nothing. "It is not in itself fallacious; how could it be? But all the social inferences drawn from it are absolute, complete and malicious fallacies." Socialist, as well as bourgeois, only more so. He then explains what the economists held was the basis of value. "A primitive savage makes a bow and arrow in a day; it takes him a fortnight to make a bark canoe. In that fact rests the exchange value between the two. The relative quantity of labor embodied in each object is the basis of its value. But the idea that quantity of labor governs value will not stand examination. . . As long as we draw our illustrations from primitive life where one man's work is much the same as anothers, and where all operations are simple, we seem easily able to compare . . . But in the complexity of modern industrial life such a calculation no longer applies: the differences of skill, of native ingenuity, and technical preparation become enormous. The hours work of the common laborer is not the same thing as the hour's work of a watchmaker or an engineer directing the building of a bridge. There is no way of reducing these hours to a common basis." He says, the economists attempted to slip out of the difficulty, but failed, by measuring the quantity of labor by what was paid for it. "Skilled labor is worth, let us say, three times as much as common labor. . . Hence by adding up all the wages paid, we get something that seems to indicate the total quantity of labor, measured not simply on time but with an allowance for skill and technical competency."

According to Professor Leacock, upon this rock splits the theory of value of the bourgeois economists and all their structure of economic science falls away because of the impossibility, as he conceives it, of measuring the value of a commodity, embodying labor of various degrees of skill by reducing these labors to a common basis of labor time. As the labor theory of value was left by the early economist, his criticism is justified, but, where the earlier economists, Adam Smith and Ricardo, etc., had left the defeetive labor theory of value, Karl Marx took up the argument. The earlier economists had worked in a vicious circle. They asked what is the cost of producing commodities, and had answered the cost of labor. Then the question was, what is the cost of producing the labor, and they completed the circle without arriving at a determination by saying the cost of a certain quantity of commodities, as food and clothing, etc. What in fact these economists called the value of labor, was, as Marx showed, the value of labor-power which exists in the personality of the laborer and which he sells to the capitalist as a commodity. The values produced by the laborer vary in any degree from the value of his commodity labor-power, the value of which he may produce in five out of the ten hours which he works, the remaining five hours he produces values for the capitalist.

The problem of reducing labor of various degrees of skill to a common base or multiple in order that they might be compared was also the work of Marx who thus solved the problem left unsolved by the economists and which is now given up apparently in despair by Professor Leacock. This subject of exchange value requires a more extended treatment than we can give it here. For a fuller exposition of the Marxian law of value we recommend a reading of the literature of Marxian economics, and wherever possible, attendance at classes on that subject.

The question is, how can the different kinds of labor be compared? As different kinds of labor, they do not in fact enter into the role of the formation of exchange value. Commodities are the product of social labor and when brought into relation with each other for exchange, appear in that relation, not as the results of useful forms of labor, as carpenter or blacksmiths skilled or unskilled, but as labor in general, homogeneous, undifferentiated, abstract human labor. As use values they are the result of different kinds of labor, differing individually from one another. But as exchange values they represent the same homogeneous labor, i.e., labor from which the individuality of the workers is eliminated. Skilled labor is regarded as a multiple of unskilled labor. This reduction of differentiated labors to simple, homogeneous undifferentiated labor may be seen illustrated on the market when commodities are brought into relation with each other for exchange. Their value is then expressed in gold prices. Gold, the universal medium of exchange, acting as a looking glass in which all commodities see their relative values reflected as gold values. To quote Marx, (page 66, Value Price and Profit) "You exchange a certain amount of your national products, in which a certain amount of your national labor is crystallized, for the produce of the gold and silver producing countries, in which a certain quantity of **their** labor is crystallized. It is in this way, in fact by barter, that you learn to express in gold and silver the values of all commodities, that is the respective quantities of labor bestowed upon them. Looking somewhat closely into the **monetary expression of value,** or what comes to the same, the conversion of value into price, you will find that it is a process by which you give to **values** of all commodities an **independent and homogeneous form,** or by which you express them as quantities of equal social labor." What Professor Leacock says can not be done, is actually done every day when commodities are brought into relation with each other for exchange in the innumerable buying and selling transactions.

The question now is, how shall quantities of this homogeneous social labor be measured? In the exchange relation commodities appear as quantities of labor values whose only distinguishable property is their duration. Motion is measured by time, so is labor measured by labor time.

The Marxian law of value is that the value of commodities are determined by the amount of socially necessary labor involved in their production measured by time. Price, the monetary expression of value, is a variation from value due to the conditions of supply and demand. But over a period of time the mass of commodities exchange with each other at their value.

The Socialist inferences, berated by Professor Leacock, are drawn from the Marxian analysis of the capitalist system of production. The keystone of the Marxian system is the above law of value. Many doughty economists have tried to pry it loose. Before attacking Socialist inferences, Professor Leacock might show the fallacy of their premise.

BULLITT TELLS.

The attempts to deny the Bullitt testamony given before the U. S. Foreign Relations Committee, would be comic were it not for the tragic memory of hundreds of thousands of lives wasted and untold miseries visited on the population of Russia through a starvation blockade, not to mention those in the Allied countries who, because they protested against the attempt to suppress the Russian workers' republic have been subjected to persecution, brutalities, and long terms in prison.

Articles are desired on the Socialist Philosophy or on current events interpreted in the light of its principles.