

# Concerning Value

BY "GEORDIE"

"When therefore I say that a commodity has a definite value, I say:—

1. That it is a socially useful product.  
2. That it is produced by a private individual on his own private account.

3. That though it is the product of private labor it is, nevertheless, at the same time and similarly, without his knowledge or consent, the product likewise of social labor, and what is more of a fixed and determinate quantity of such social labor, which is arrived at in a social way by means of exchange.

4. I express this quantity not in labor itself, in so many hours of labor, but in another commodity.

If, therefore, I say that this watch is worth as much as this bale of cloth and both of them are worth fifty shillings, I say that in the watch, the cloth and the money an equal amount of social labor is embodied. I state, consequently, that the social labor represented in them has been socially measured and found to be equal. But not directly, absolutely, as people measure labor-time in days or hours of labor, etc., but indirectly and relatively by means of exchange. I cannot, therefore, express this determinate quantity of labor-time in hours of labor, for their number remains quite unknown to me, but only in a roundabout way, and, as I say, relatively in another commodity which represents the expenditure of an equal amount of social labor-time."

Engels.

"Exchange-Value and Price merely obtain as a relation between commodities, whereas true Economic Value exists in the commodity per se, as the ground principle of its exchangeability."

E. Belfort Bax: Outspoken Essays, p. 156.

"In the Hegelian scheme of things the only substantial reality is the unfolding life of the spirit. In the neo-Hegelian scheme, as embodied in the materialistic conception, this reality is translated into terms of the unfolding (material) life of man in society. In so far as the goods (commodities) are products of industry, they are the output of this unfolding life of man, a material residue embodying a given fraction of this forceful life-process.

In this life-process lies all substantial reality, and all finally valid relations of quantivalence between the products of this life-process must run in its terms.

This balance between goods in respect of their magnitude as output of human labor holds good indefeasibly, in point of the metaphysical reality of the life-process, whatever superficial (phenomenal) variations from this norm may occur in men's dealings with the goods under the stress of the strategy of self-interest. Such is the value of the goods in reality; they are equivalents of one another in the proportion in which they partake of this substantial quality, although their true ratio of equivalence may never come to an adequate expression in the transactions involved in the distribution of the goods. This real or true value of the goods is a fact of production, and holds true under all systems and methods of production, whereas the exchange value (the 'phenomenal form' of the real value) is a fact of distribution, and expresses the real value more or less adequately according as the scheme of distribution in force at the time conforms more or less closely to the equities given by production.

Under the capitalistic system the determination of exchange value is a matter of competitive profit-making, and exchange values therefore depart erratically and incontinently from the proportions that would legitimately be given them by the real values whose only expression they are."

Veblen: The Place of Science, etc., p. 420.

THERE are, no doubt, many who will dissent from the view here set out. We shall be told, by Mr. Louis B. Boudin, for instance, that "Marx knows of only two kinds of value: use-value and exchange-value, and whenever he says simply 'value' he means exchange-value." (Theoretical System of Karl Marx, p. 91)

Now, it is my impression that Marx was very careful in matters of this kind, nevertheless it is true that he sometimes does use the one term in place of the other, but only in cases where the term occurs before the distinction has been developed or where it is not necessary for the purposes of the argument. He, himself, points this out. For example:—

"When, at the beginning of this chapter, we said, in common parlance, that a commodity is both a use-value and an exchange value, we were, accurately speaking, wrong. A commodity is a use-value or object of utility,

and a value. It manifests itself as this two-fold thing, that it is, as soon as its value assumes an independent form—viz., the form exchange value. It never assumes this form when isolated, but only when placed in a value or exchange relation with another commodity of a different kind. When once we know this, such a mode of expression does no harm; it simply serves as an abbreviation."

Capital, Vol. 1, p. 70.

See also the foot-note on page 62 concerning another important distinction.

It will be just as well to see what Marx actually does say on the subject:—

"In the labor-process, therefore, man's activity, with the help of the instruments of labor, effects an alteration, designed from the commencement, in the material worked upon. The process disappears in the product; the latter is a use-value, nature's material adapted by a change of form to the wants of man. Labor has incorporated itself with its subject: the former is materialized, the latter transformed. That which in the laborer appeared as movement, now appears in the product as a fixed quality without motion. The blacksmith forges and the product is a forging."

Capital, Vol. 1, p. 201.

That is to say the strength, skill and dexterity of the blacksmith, constituting the use-value of his labor-power, being employed in a special way upon appropriate material results in the production of a specific use-value, a forging of some kind, say, a horse-shoe. Labor, considered in this aspect, is called by Marx "useful-labor" to indicate that it is homologous with use-value in commodities. It is qualitative in its nature and effects a qualitative change in the material on which it is exerted. All this, it will be seen, is matter-of-fact. The whole process can be observed from bar iron to completed horse-shoe and the duration of this labor can be accurately noted.

Now, if our blacksmith could possibly be thought of as an isolated individual apart from society, there would here be an end of the matter. But we have to consider him as a unit in a society based upon division of labor and exchange of commodities. In such a society and under such conditions

"the labor of the individual producer acquires socially a two-fold character. On the one hand, it must, as a definite useful kind of labor, satisfy a definite social want, and thus hold its place as part and parcel of the collective labor of all, as a branch of a social division of labor that has sprung up spontaneously. On the other hand, it can satisfy the manifold wants of the individual producer himself, only in so far as the mutual exchangeability of all kinds of useful private labor is an established social fact, and therefore the private useful labor of each producer ranks on an equality with that of all others. The equalization of the most different kinds of labor can be the result only of an abstraction from their inequalities, or of reducing them to their common denominator, viz., expenditure of human labor-power or human labor in the abstract. The two-fold social character of the labor of the individual appears to him, when reflected in his brain, only under those forms which are impressed upon that labor in everyday practice by the exchange of products. In this way, the character that his own labor possesses of being socially useful takes the form of the condition, that the product must be not only useful, but useful for others, and the social character that his particular labor has of being the equal of all other particular kinds of labor, takes the form that all the physically different articles that are the products of labor, have one common quality, viz., that of having value."

Capital, Vol. 1, p. 84.

Labor, regarded from this point of view wears an entirely different aspect. It is social, "abstract, universal and homogeneous." (Critique p. 33). It is social because, though expended by individuals such as our blacksmith it is expended by him in his capacity as a social unit contributing to a social want and receiving in return similar social services. It is universal and homogeneous because it is the use of the ordinary human energy put forth by the average human being when he engages in productive activity. It is abstract because it is considered without any regard to the special manner in which it is employ-

ed. In a word, it is simple, undifferentiated human labor regarded in its purely social aspect.

We may therefore consider the blacksmith, the weaver and the tailor, the butcher, the baker and the candlestick maker as individual producers each expending a special kind of useful labor or we may regard them as social units each contributing his share to the aggregate social production.

"On the one hand all labor is, speaking physiologically, an expenditure of human labor-power, and in its character of identical abstract human labor, it creates and forms the value of commodities. On the other hand, all labor is the expenditure of human labor-power in a special form and with a definite aim, and in this, its character of concrete useful labor, it produces use-values."

Capital, Vol. 1, p. 54.

It is this labor that forms the "substance of value." Commodities, considered as values, are "crystals of this social substance," "congelations of homogeneous human labor, of labor-power expended without regard to the mode of its expenditure." (p. 45)

Value is therefore to be thought of as a substance. Not, of course, a material substance but, nevertheless, an independent entity which "although invisible . . . has actual existence." (p. 107) in commodities.

Now, this "unsubstantial reality" (p. 45) is the substance, the "thing-in-itself," of which exchange-value is the phenomenal form, the visible manifestation. "The progress of our investigation," says Marx, "will show that exchange-value is the only form in which the value of commodities can manifest itself or be expressed." (p. 45)

But exchange value is not a thing, it is a ratio; a matter of proportion between quantities or magnitudes. The value creating substance must therefore be present in the commodities concerned in exchange and will, of course, be present in definite quantities.

Social labor is, as we have seen, undifferentiated in respect of its nature, consequently the only difference which can exist is a matter of the quantity of it incorporated in the commodity.

Social labor, then, counts quantitatively as distinguished from useful labor which counts qualitatively.

"The substance of value is nothing but expenditure of labor-force" and "the production of value is nothing but the process of this expenditure."

Now, the expenditure of any force (intensity been given, as it is in this case, and being, in addition, a constant factor) can only be measured by the amount of time during which such expenditure lasts.

From these considerations we conclude that the amount of value incorporated in any given commodity will vary with the quantity of labor-time consumed in its production. It further follows that, if for any reason, such as the use of machinery, the productiveness of labor is increased, the amount of labor-time embodied in the given commodity will be less per unit.

It must not be supposed from the use of the phrase "measured by time" that the amount of social labor-time incorporated in any commodity can be actually known. This, of course, we cannot know, seeing that value can only find expression as exchange-value, that is, in the social relation between commodities.

But the production of a commodity is a social act looking to the satisfaction of a social want. Value is, therefore, a social fact. For this reason the only labor that can make itself effective, that can count towards the value of commodities, will only be that amount which is socially necessary for their production.

"The labor-time socially necessary is that required to produce an article under the normal conditions of production, and with the average degree of skill and intensity prevalent at the time." (Capital vol. I, p. 46.)

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