

# The Concept of Value

By F. W. THOMPSON

McNey and I have disagreed on certain points in Marxian economics; and McNey concludes our disagreement is proof that Marx's mode of presenting his theories is not a clear one. Since Marx labored diligently, going down into details, to make these points clear, and since McNey and I and a multitude of others have striven to understand them and yet disagree, his conclusion is very well founded. But he might well have gone one step further and asked himself: "What fundamentally is that mode of presentation?" That's what I'm going to take up here.

First, what ideas was Marx trying to present? These: (1) Modern capitalism developed from mercantilism through certain material causes, mainly improvements in the industrial arts that necessitated social production. (2) The essential condition of capitalism is the polarization of two-classes—a working class owning no means of production and a class that does own those means. (3) Definite forces regulate the quantity of wealth produced by the working class and the quantity that accrues to them as wages, and thereby the quantity that remains as surplus for the owning class. (4) All rent, interest and profit, all "unearned increment" is, in its total, equal to, and entirely derived from, this surplus; and is not a mysterious accretion acquired in the exchange of goods or in the "rendering of service." (5) This surplus is divided among the owning class by a definite, but intricate, interplay of forces, through the mechanism of ordinary business transactions. (6) The consequent accumulation of wealth, along with the constant improvement of the industrial arts, necessitates the spread of the capitalist mode of production to all phases of production and to all corners of the earth. This process, frequently violent, subjugates and finally eliminates the less powerful among the owning classes; centralizes ownership into fewer hands and perfects the organization of ownership; and renders more perfect the polarization of capitalist society into its two essential classes. (7) This exploitation of the wage-earner provides a conflict of interest between worker and capitalist, manifested by a continuous struggle that grows more keen as the development of the system makes the workers conscious that it is to their class interest to produce for their own use and benefit instead of for the capitalist's benefit.

This conflict becomes especially keen as the accumulation and expansion of capital approaches its saturation point—a condition accompanied by almost continuous crises throughout capitalist society. (8) This struggle will finally become a struggle of the workers to make their own class dominant to deprive the capitalist class of their coercive or governmental power, replacing it by coercive powers over society vested in their own class through its suitable organization, thereby establishing a new social order whose nature is determined by the material conditions furnished by capitalism, foremost of which is efficient social production.

This, with the facts relating to production and exchange voluminously elaborated, is what fills Marx's ponderous tomes. It is an historic process that could surely have been written up with very few abstractions. But such is not Marx's mode of presentation. He starts off with a highly abstract, a priori, philosophic analysis of the exchange of goods, and, pronto, issues the hypothesis, current in his day, that there is a shadowy something underlying price namely value. The rest of the work, apart from those oases, the historical portions, is an ingenious elaboration of every conclusion that mental gymnastics can draw from the assumption that there is such a thing as Value, and that it is determined by socially necessary labor. In that, Marx's mode of presentation, with which McNey finds fault, is, at bottom, the very point at issue, namely

the concept of value. I started this discussion by contending and, I think, proving that the concept of value is "an unnecessary, metaphysical concept." The matter in Marx's works could have been presented without using the concept of value at all. This concept of value has been mistaken almost constantly for the substance of Marxism when, in fact, it is but the clothes that body of ideas wears on the more academic occasions. McNey brushes my contention that the concept of value is metaphysical aside; and says never a word on the more important contention that it is unnecessary—but concedes it, without realizing it, by finding fault with Marx's mode of presentation.

What is there about this concept of value that makes it a poor mode of presentation, a hindrance to economic science? Value is a criterion or standard by which we compare things, to be listed along with such criteria as mass, beauty, volume, truth, duration, etc. These criteria are very important for all reasoning is at bottom a comparison of things, and to be compared things must be measurable and commensurable. The progress of science is marked by the introduction of exact measures for every aspect of the physical world we live in; and these measures are an indispensable condition to modern science. On the other hand, such criteria as "the good, the true, the beautiful" cannot be listed as scientific despite their importance. Why? Because they are not capable of exact measurement. And why? Because they are subjective, dependent on viewpoint, while all scientific standards are strictly objective.

The concept of value cannot be a scientific criterion unless it is strictly objective, and it certainly isn't. As conceived by the utilitarians it is admitted to be a subjective consideration. The labor theory that makes the value of goods due to the difficulty of producing or acquiring them, is clearly subjective. Marx polished this concept a bit by the restriction "socially necessary human labor"—a vague term that covers a multitude of things (cf. Capital vol. I, p. 120). But how can a bit of polishing change a subjective criterion into an objective one? If a bee were a Marxist it would value honey according to the socially necessary bee labor required for its production; but the human Marxist values honey according to the human labor required to steal it from the bee—for obvious subjective reasons. But it must be admitted that the necessary bee labor affects price through, and only through, its effect on the quantity of honey produced and on the cost of producing it. The labor of a mule is no more a value determining factor than is the work of a gasoline tractor; but the labor of its wage-slave skinner is held to be a peculiar "value-determining substance" for all he is as much an enslaved animal as the mule and as thoroughly exploited as the bee; and the capitalist appropriates his labor along with the mules just as the farmer appropriates the bee's honey. And what becomes of the objectivity of the labor concept of value in a predatory society? Did pirate peoples value different goods according to how hard it was to produce them, or according to how hard it was to get them? And does human labor have any further effect on prices in the present predatory system than the labor of other exploited animals—i.e. any further effect than that caused by its effect on the quantity of different goods produced and on the cost of producing them? The answer is—and Marx gives it—"No."

The conclusion is that the criterion of values is subjective and hence a hindrance to economic science—a hindrance that has frittered away many a proletarian's thought on useless mental gymnastics—a hindrance that has stopped the working class from developing an economic science serviceable as a guide to its activities.

## What is Capital?

By MARK STARR

"If you give a Scotsman a drink, that is Capital; to get him to give you one, that is Labor." Thus the comedian on a difference.

But according to the late Lord Leverhulme, "Adam's spade was his capital."

Sis Hugh Bell, the coal and iron master, has a similar notion, for he insists that the man who practised abstinence from immediate satisfaction and shaped the first flint was the first capitalist.

The little "Pay-Day Talks" distributed by the employers urge that "Capital is money usefully employed." Lady Astor has bubbled nonsense about the capitalist saving us from the "dark wild road."

Lord Birkenhead has repeated the assertion that capital is savings.

"One-room," "Dole-for-Bad-employers" Alf told the House of Commons in the debate on Socialism that "the shovel of an agricultural laborer, the tools of a fitter or a carpenter are capital."

Obviously these definitions are defences of the right of the capitalist to continue his rule, and they try to rally the short-sighted frugal Workers, blind to any larger good, because of their endangered capital, "their little all."

Capital is however essentially different from savings and means of production. Both can become capital, as a sewing needle can become a death dealing instrument.

But it is not a matter of argument—it is a matter of arithmetic to prove that a man cannot become rich by his own efforts. Adam if he had saved £3 a week for 50 weeks a year during 6,000 years would still have £100,000 to collect before he owned one solitary million.

One orthodox professor, Hadley, is frank enough about the start of capital, for he says that "capital originated in robbery," which is unkind to those thrifty and bairny ones of the Leverhulme-Bell fancy.

Even if we granted an initial honest acquirement, there is a vital difference between money put away in a stocking and money used to buy shares which yield the interest year by year, and still remains undiminished to the end of capitalist time. An idiot or an infant can be a capitalist if left sufficient shares.

Capital implies demand over Labor and its exploitation. The would-be capitalist who shipped his means of production and workpeople to a virgin country found that out when they deserted him to start on their own.

Just as a stick cannot exist without two ends, so capital is impossible without a working class forced to sell its labor-power in order to live.

In the sense that the dead hand of past accumulated wealth will be lifted from the shoulders of living labor, we hope to destroy capital and its integral exploitation.

As for "destroying" it in the ordinary sense—well, in Germany they destroyed the relation of monarch and subject without hurting a Hohenzollern hair. The present relation of capital and labor can also be abolished without hurting one spindle or one locomotive.

Money will not be able to become capital any longer. Out of the product will be set aside the funds needed to rebuild and extend the means of production used for exploitation no more. Social needs will rule instead of profit considerations.

### A DANIEL COME TO JUDGMENT

"It is quite true that the land monopoly is not the only monopoly which exists, but it is by far the greatest of monopolies—it is a perpetual monopoly. It is quite true that unearned increments in land are not the only form of unearned or undeserved profit which individuals are able to secure; but it is the principal form of unearned increment which is derived from processes which are not beneficial, but which are positively detrimental to the general public.  
Rt. Hon. Winston Churchill, Edinburgh, 17th July, 1909.