

# The Science of Socialism

By H. M. Bartholomew.

ARTICLE No. II.

## WEALTH-PRODUCTION: VALUE.

To apply the law of causation to the Social Problem, and in so doing, to ascertain its solution, it is essential that we examine the methods of wealth-production under which we work and have our being.

The beginning of any such analysis, involves a knowledge of the term "wealth." Perhaps there is no term used in the science of political economy which has been more misunderstood and which has been more abused than the term wealth. Yet the term as used by the economist is the very essence of simplicity. He defines wealth as an accumulation of useful commodities—houses, clothes, food, boats, and so on. The ownership of such a supply of useful articles constitutes the possessor, whether an individual or a nation, as the owner of wealth. It is in this sense that the word wealth is employed in this and the following articles.

How is this wealth produced? Is the supply of wealth produced adequate to the needs of the people in the world? How can wealth be most economically produced from the standpoint of social needs? These are questions of the greatest possible import, and it is the endeavor of the writer in this and the next two articles to answer these grave, fundamental questions.

We find—do we not?—that in modern society, these useful articles, such as boots and hats, are produced or made, with a view, not to their use by those who create them, but for the purpose of exchange upon the open market. Both workers and employers look to the general market as they produce cups and saucers, food and clothing. And the wealth of our present society consists in a vast accumulation of these commodities or wares, which all possess an exchange value.

What is this exchange value? By what means are the exchange-values of various commodities regulated?

It is a matter of singular note that all economists of standing are agreed as to what constitutes value. Let us see what some of these great thinkers say upon this important point.

Sir William Petty says:

"Let another man so travel into a country where is silver, there dig it, refine it, bring it to the same place where the other man planted his corn, coin it, etc., the same person all the while of his working for silver gathering also food for his necessary livelihood and procuring himself covering, etc., I say the silver of the one be esteemed of equal value with the corn of the other. . . . From whence it follows that the price of a bushel of this corn be an ounce of silver."

Adam Smith says:—

"The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. . . . It is natural that what is usually the produce of two days or two hours labour should be worth double of what is usually the produce of one day's or one hour's labor."

Benjamin Franklin tells us that:—

"Trade in general being nothing but the exchange of labor for labor, the value of all things being justly measured by labor."

Ricardo amplifies the statement of Adam Smith, and tells us:—

"That this is the foundation of the exchangeable value of all things, excepting those which cannot be increased by human industry, is a doctrine of the utmost importance in political economy. If the quantity of labor realized in commodities regulate their exchangeable value, every increase of the quantity of labor must increase the value of the commodity on which it is exercised as every diminution must lower it."

Last of all John Stuart Mill states that of "the component elements of the cost of production," the "principal of them, and so much the principal as nearly the sole, we found to be labor."

All these great thinkers in the scheme of political economy are agreed that the exchangeable value of any given commodity is determined by the quantity of human labor which that commodity embodies.

But all these economists mention labor as the measure of exchangeable value—and there they stop. They do not tell us WHAT labor.

Take the case of two operatives who are engaged in the production of boots. One of them is a skilled artisan, but possesses the old-fashioned tools which

obtained a century ago, whilst his confrere works with the very latest boot making machinery which has been invented by science. When finished, both pairs of boots are exactly the same. It is absolutely impossible to tell one from the other. And yet the boots made by the operative who has had at his command the latest labor-saving machinery, have embodied in them one-half the quantity of labor. That is to say, the boots made by the old-fashioned operative contain, beyond all question, twice the amount of labor that the pair made by the modern worker contains.

Let us follow these boots upon the world's market. Both are equally well made, and it necessarily follows that they possess precisely the same exchange value in relation to other goods on the market. In other words a purchaser of these boots does not inquire as to how they were made, for both pairs are the same to him. The value of both pairs of boots is the same, and we find therefore, that, despite the INDIVIDUAL TIME taken in their production, the exchangeable value is determined by the quantity of labor embodied in a pair of shoes when human labor has at its command the latest labor-saving tools and machinery.

It is clear, then, that the INDIVIDUAL TIME taken to produce does not determine the value of a pair of boots, but the quantity of socially necessary labor required to produce each pair at the time they are offered for exchange. The quality of the labor being identical, and the product similar, the actual value in exchange of any two articles is dependent upon the general average amount of social human labor-power used in creating a precisely similar article.

What is true in regard to two articles which are similar, is just as true, and applies with equal force, to articles which are dissimilar—boots and hats, guns and books. Boots and hats are produced through the application of labor power to land with the aid of capital, and the value of the commodities, upon the markets of the world, will be determined by the quantity of the social human labor power of which each is the embodiment.

So that we see that every workman, when he applies his individual labor-power to the production of a given commodity, embodies therein a definite quantity of social human labor, and that it is this quantum of social human labor which determines the value of that commodity in relation to other articles.

It will be noticed, too, that value is a relative quantity. Like weight, we cannot tell what value is in the abstract. The value of an article as expressed in social human labor-power, can only be determined when it is brought into relation with another commodity. Social human labor measures for us the value in exchange upon the world's markets of commodities relatively to one another. If more of such labor be embodied in a commodity it becomes, on the average, of greater value in exchange with the quantum of social human labor-power embodied in them. On the other hand, less labor embodied in any commodity, constitutes, on the average, less commodities which remain stationary in regard to value.

This relative value is best expressed through the employment of a medium of exchange—and in modern society this takes the form of money.

The average man, when he thinks of the value of an article, usually thinks of that value in terms of dollars and cents. Indeed, he does not speak of the value of a commodity, but its market price.

Dollars, pounds, shillings, francs, marks, roubles—these are the equivalents of price today. And the average man and woman know little, if anything else, of the value of a commodity than its money-price.

But gold and silver, the common medium of exchange, are useful commodities, and their value is likewise determined by the quantum of social human labor power which is necessary to their production. They exchange, that is, on exactly the same basis as

all other commodities on the world's markets. Moreover, their value varies according to the ease or difficulty with which they are procured. Plenty means, on the one hand, ease of attainment or a relatively small quantity of human labor in its production; whilst scarcity, on the other hand, implies difficulty of attainment or the need for the expenditure of a greater quantity of social human labor power.

Gold and silver, then, are socially useful commodities and can be employed as the media of exchange, as the standard of price, because, they in themselves, are the socially recognized incarnations of human labor power. Indeed, price is but the money name of value, and money becomes the convenient expression of value by virtue of the fact that they are the embodiments of certain quantities of social human labor power.

Karl Marx says on this point:—

"As the measure of value it serves to convert the value of all the manifold commodities into prices, into imaginary quantities of gold: as the standard of price it measures those quantities of gold. The measure of values measures commodities, considered as values; the standard of price, measures, on the contrary, quantities of gold by the unit quantity of gold, not the value of one quantity by the weight of another. In order to make gold a standard of price a certain weight must be fixed upon as the unit. . . . But only in so far as it is in itself a product of labor and, therefore, potentially variable in value, can gold serve as a measure of value."

But labor, in itself, possesses no value. Labor as labor has no more value than weight as weight. If men are employed, as they were in the French Revolution, simply to dig holes that they might have the pleasure to fill those holes up again, there is no creation of wealth and, de facto, no creation of value. Labor, in such a case, possesses no value.

It follows, therefore, that labor measures value. And when it is embodied in such articles it becomes, only when it is embodied in socially useful articles, as we have seen, the sole basis and measure of the exchange value of these commodities.

Our brief analysis has brought us round to the point where we can obtain a better view of the present economic system. We are able to comprehend the better the true function which is performed by the worker as a creator of wealth.

We now realize that the wealth of a nation, comprising as it does, an accumulation of socially useful commodities, is the product of the labor of the members of that community, and that the value of those manifold commodities, is determined by the quantity of social human labor power of which they are the physical embodiments.

Those of my readers who follow me through this somewhat dry-as-dust abstract disquisition, will be repaid by the flood of light which this abstract investigation throws upon the economic problem which trouble us to-day. The Science of Socialism as propounded by the Marxists takes its stand upon the fact that labor is the only producer of wealth. That it is by the application of human labor power to land and capital that wealth can be created, and that the commodities which go to make up the wealth of a nation are exchanged on the markets of the world according to the value embodied in them by the quantity of social human labor power which is necessary to their production.

(Next article: "Wealth-Production—Capital.")

## ARMENIA.

(Continued from page 1)

In conclusion, and so as to connect up the ideas, the writer wishes to point out that in the great historical movements that have led up to the present situation in western Asia, it is the economic factor which has supplied the chief and prime motive power. Other factors such as religious and humanitarian idealism have also played a role, but a secondary role,—the role of awakening enthusiasm among the idealists who have no direct material benefit to gain from the conquest of territory and markets; and also, more particularly of securing that passive acquiescence of the populace, which amounts to a justification of the government's policy, without which no official feels safe in involving his government in imperial conquest and disputes abroad. This fact accounts for the prominence given to "The Call From Armenia" in the newspapers at the present time.

C. M. C.