

# Concerning Value

By H. M. Bartholomew.

## Artical No. 2.—The Classical School.

**P**OLITICAL economy is a science, and as such, its findings should be in strict accord with the highest tests of scientific methods.

What are the tests of true scientific methods? To be concise, scientific methods must possess rigid and logical analysis, accurate induction, luminous and pregnant hypothesis, masterly synthetic verification, ample preparation for reasonable forecast.

It is the purpose of the writer of these articles to examine the several theories of Value in the light of these tests of scientific method, and to ascertain, as closely as possible, the truth of this important phase of political economy.

There has existed, as we saw in the previous article, a certain amount of ambiguity and complexity regarding the term Value. The leading economists have been none too sure of their ground. Indeed there is no other phase of economics which has caused so much confusion of thought and such diversification of views as that which is the subject of these articles.

Despite this fact, however, there has been more or less agreement concerning certain concepts of Value which are of the utmost importance. It is significant (as we shall see later) that there is general agreement as to what constitutes value. Especially is this noticeable with the exponents of the Classical School.

Practically all the economists of note who voice the opinions of that school of thought agree that **quantity of labor constitutes value; the amount of human labor, that is, which is necessary to produce the commodities which are brought into exchange.**

This contribution to the subject is of such tremendous import that the writer makes no apology for introducing several lengthy quotations from those who are still reckoned the greatest English economists.

Adam Smith was the first economist of note to deal with this subject at great length. He tells us that:

"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. What everything is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and the trouble which it can impose on other people. Labor was the first price—the original purchase-money that was paid for all things. In that early and rude state which precedes the accumulation of stock and the appropriation of land, the proportion between the quantities of labor necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another. If among a nation of hunters, for example, it usually costs twice the labor to kill a beaver which it does to kill a deer, one beaver would naturally be worth or exchange for two deer. It is natural that what is usually the produce of two days' or two hours' labor should be worth double of what is usually the produce of one day's or one hour's labor."—"Wealth of Nations."

Ricardo confirms the above passage re the basis of Value in exchange and continues:

"That this is really 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 in the quantity of labor must increase the value of the commodity on which it is exercised as every diminution must lower it.

"To convince ourselves that this is the real foundation of exchangeable value, let us suppose any improvement to be made in the means of abridging labor in any of the various processes through which the raw cotton must pass before the manufactured stockings come to the market to be exchanged for other things; and observe the effects which will follow. If fewer men were required to cultivate the raw cotton, or if fewer sailors were employed in navigating, or shipwrights in constructing the ship in

which it was conveyed to us; if fewer hands were employed in raising the buildings and machinery, or if these, when raised, were rendered more efficient; the stockings would inevitably fall in value, and command less of other things. They would fall, because a less quantity of labor was necessary to their production, and would therefore exchange for a smaller quantity of those things in which no such abridgment of labor has been made."—"Principles of Political Economy and Taxation."

John Stuart Mill, despite his inveterate eclecticism, says that:

"The value of a thing is its general power of purchasing, the command which its possession gives over purchasable commodities in general."

And of this "general power of purchasing" he states that:

"They are determined by the component elements of the cost of production, and the principal of them, and so much the principal as nearly the sole, we found to be labor."—"Principles of Political Economy," book 3.

Even Jevons, the leading exponent of Final Utility, (of which more anon) is forced to admit that:

"In other words, value is proportional to cost of production."—"Theory of Political Economy," p. 192. Emphasis Jevons.

Last of all, perhaps I may be permitted to add a quotation from Sir William Petty. He says, speaking of exchange value in relation to corn:

"How much money is this corn or rent worth? I answer, so much as the money which another single man can save within the same time over and above his expense if he applied himself wholly to produce and make it; viz., let another man so travel into a country where is silver, 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 must be esteemed of equal value with the corn of the other; the one being perhaps twenty ounces and the other twenty bushels. From whence it follows that the price of a bushel of this corn to be an ounce of silver."—"Political Arithmetical."

It would be an easy matter to extend these quotations far beyond the limits of this article, but there is sufficient to illustrate the general agreement of political economists upon this important phase of our subject.

There is little need for us to enter into an elaborate abstract disquisition upon this phase. The evidence of both theory and practise verify the findings of the economist.

It is obvious that in two commodities of equal exchange value there exists, in equal quantities, something common to both. In other words, each is equal to and is reducible to a common third. A bushel of wheat exchanges, at the present time, for a woollen shirt. These two dissimilar commodities, that is to say, exchange upon an equality, and possess, de facto something which is common to both.

What is this which enables us to measure the exchange value of these two commodities? In the first place, both the wheat and the shirt are useful commodities. Is their value determined by the degree of their utility? (\*) Listen to Ricardo on this point:

"When I give 2,000 times' more cloth for a pound of gold than I give for a pound of iron does it prove that I attach 2,000 times more utility to gold than I do to iron? Certainly not, it proves that the cost of production of gold is 2,000 times greater than the cost of production of iron. If the cost of the two metals were the same I should give the same price for them; but if utility were the measure of value it is probable I should give more for the iron. It is the competition of producers. . . . which regulates the value of different commodities. If then, I give one shilling for a loaf and twenty-one shillings for a guinea, it is no proof that this is my estimation of the comparative measure of their utility."—"Principles of Political Economy and Taxation."

Nevertheless it must be stated that a given commodity can possess no exchangeable value unless

Note.—(\*) Dealt with in later article.

it also possess a use-value. There need be no laboring of the point that an article which satisfies no human need possesses no value in relation to other commodities.

We see, therefore, that the third article to which any two commodities are reducible and by which their value is determined, is human labor power, or as Karl Marx tells us:

"A use-value, or useful article, therefore, has value only because human labor in the abstract has been embodied or materialized in it."—"Capital," vol. 1, p. 45.

Again, Marx tells us that: ,

"As values, all commodities are only definite masses of congealed labor-time."—Ibid, p. 46.

To examine this phase of our subject from a different viewpoint. The wealth of any nation is an accumulation of commodities, and this accumulation is the result of the application of human labor power to Nature. Or as Sir William Petty says:

"The earth is the mother and labor the father of all wealth."

If, man by the expenditure of his labor power creates a number of commodities, then surely the value of those commodities, in relation to each other is proportional to the quantity of labor power necessary for their production? As we have seen this is the view held by political economists of note, a view of the matter best summarized by the able resume of the subject in the "Encyclopaedia Britannica."

"Thus the ultimate elements in the real cost of production are the toil and trouble and irksomeness of labor and of saving."—See, re Value.

It is true that economists of note agree as to what constitutes value. These thinkers tell us that quantity of human labor determines the value of any given commodity. But they do not sufficiently analyze the kind of labor which creates and determines value. It is upon this point that the main difficulty of our analysis begins, and the great service which Karl Marx rendered to economic science becomes apparent.

Next Article: "Quantitative and Qualitative Labor."

## PLATFORM

### Socialist Party of Canada

We, the Socialist Party of Canada, affirm our allegiance to and support of the principles and programme of the revolutionary working class.

Labor, applied to natural resources, produces all wealth. The present economic system is based upon capitalist ownership of the means of production, consequently, all the products of labor belong to the capitalist class. The capitalist is, therefore, master; the worker a slave.

So long as the capitalist class remains in possession of the reins of government, all the powers of the State will be used to protect and defend its property rights in the means of wealth production and its control of the product of labor.

The capitalist system gives to the capitalist an ever-increasing stream of profits, and to the worker, an ever-increasing measure of misery and degradation.

The interest of the working class lies in setting itself free from capitalist exploitation by the abolition of the wage system, under which this exploitation, at the point of production, is cloaked. To accomplish this necessitates the transformation of capitalist property in the means of wealth production into socially controlled economic forces.

The irrepressible conflict of interest between the capitalist and the worker necessarily expresses itself as a struggle for political supremacy. This is the Class Struggle.

Therefore, we call all workers to organize under the banner of the Socialist Party of Canada, with the object of conquering the political powers, for the purpose of setting up and enforcing the economic programme of the working class, as follows:

1. The transformation, as rapidly as possible, of capitalist property in the means of wealth production (natural resources, factories, mills, railroads, etc.) into collective means of production.
2. The organization and management of industry by the working class.
3. The establishment, as speedily as possible, of production for use instead of production for profit.