

"SURPLUS VALUE"

Mr. Seidel is Puzzled Over an Expression of Father Mc Grady

Editor Independent: In the January number of The Comrade, a socialist magazine published by John Spargs, 11 Cooper Square, New York, appeared an article under the head of "How I Became a Socialist," by Rev. T. McGrady. Mr. McGrady begins by saying that he is an "honest man," and farther along in his article seems to assume that only those who are "born socialists" are not criminally inclined. He recounts in very beautiful phraseology how he wandered from "free silver" to single tax, and from single tax to his present socialistic tendencies.

"For more than a year," he writes, "my ideas were hazy and indistinct, yet I knew all the time that there was something radically wrong with the industrial system. In my bewildered brain, competition was essential to progress, and still I could not fail to see that competition reduced wages. How is this? I asked. Competition diminishes wages, but at the same time it diminishes the price of commodities, and the toiler gets the benefit of the reduction. I had not yet grasped," he continues, "the idea that labor power is a merchandise, and that the tendency of increased productivity is to reduce wages and enhance surplus value."

Those last two words from the above quotation from the reverend gentleman's article are the ones that stuck in my throat when I came to them. What is the meaning of "surplus value?" Can some socialist tell me? I cannot agree with the Maxian theory that "crystallized labor" is value. I can readily see that "crystallized labor," or labor stored in material things, is wealth, but "wealth" and "value" are two different terms in economics. W. H. Ashby, in his work, "Money and the Taxing Power," says, "It has been demonstrated that value is not in the things which constitute wealth, but is a valued quantity of that force of demand which arises from the expenditure of energy in efforts to overcome adverse possession of those things, under a system which guarantees that possession and prohibits the use of violence . . . it is an estimate, or valuation of the quantity of the force of demand for that wealth." To use a definition often given in The Independent, value is "human estimation placed upon desirable things capable of being exchanged, the supply of which is limited." In other words, value is an idea. Now then, if value is an idea, what is meant by "surplus value?" Can there be such a thing as surplus ideas in the "valuation of the quantity of the force of demand for wealth?" Can some socialist explain? E. SEIDEL.

Redmond, Wash. (In a nutshell, Captain Ashby's theory of value is this: Man in his efforts to get a living is obliged to expend his energies to overcome the adverse forces of nature. The result is a supply of wealth. Under some sort of government he is guaranteed the exclusive individual possession of the supply of wealth which comes into his hands as the result of expending his energies in overcoming nature's adverse forces.

Now, in the event he has more of a given product than he deems necessary for his own uses, he casts about to find another individual who has a surplus of some other product. Finding him, the two producers expend some energy each in trying to overcome lawfully the adverse possession of the other. This is the simplest form. In the complexities of exchange, the resultant of all the energy expended in trying to overcome the adverse possession of another—to obtain or retain the supply of wealth—is the unseen, but none the less real, force of demand. Just as that which we call weight is nothing more than the quantity of the force of gravitation acting upon the object, which we say has weight; so that which we call value is nothing more than the quantity of the force of demand acting upon the object (some portion of the supply of wealth), which we say has value. The only difference in "measuring" the two forms of force is that for the force of gravitation we have physical appliances for measuring it, while for the force of demand there is no physical appliance, but the quantity of the force acting upon a given object must be estimated or "valued."

The incentive for trying to overcome the adverse possession of another is that by or through the new possession the new possessor hopes to save himself the expenditure of some of his own energy, which, otherwise, he would be obliged to expend in overcoming the adverse forces of

nature—in producing the thing himself, instead of procuring it in exchange. He does not desire it because some other man expended his energy during a whole ten hours in producing it—but because its possession will SAVE him (the prospective possessor) the expenditure of his own energy, say for a period of twelve hours. And herein Ashby and Marx differ widely.

Value, according to Marx, is divided into "use-value" (the substance of value) and plain, every-day "value" (the magnitude of value). He uses the term "exchange value," and admits that "at first sight (it) presents itself as a quantitative relation, as the proportion in which values in use of one sort are exchanged for those of another sort, a relation constantly changing with time and place. Hence, exchange value appears to be something accidental and purely relative, and consequently an intrinsic value, that is, an exchange value that is inseparably connected with, inherent in commodities, seems a contradiction of terms." He then proceeds to cover up this reasonable appearance with a mass of formulas tending to prove that that which we call black is not black at all, and if not indeed white, is at least slate-color.

Value, according to Marx, is simply the cost in hours of "social labor." Somehow the labor-power used up in producing the thing is "crystallized" in it—and that is its value—exchange value. Which, of course, would make value intrinsic, or in the thing. Curiously enough Marx admits that these "crystals" of social labor very readily lose some of their virtue when by improved methods a similar product can be produced in a small number of social labor hours. All this is done by Marx to ignore the supply of desirable things as being a factor in the equation which gives rise to value and thereby makes his "surplus value" idea at all tenable. With Marx every purchaser is busily engaged inquiring how many social labor-hours were required to produce the thing he contemplates purchasing—but there is no look ahead to see how the possession of the thing may save him some labor-power.

His famous "surplus value" theory is based upon a state of society in which (like at the present time) men offer and sell their own energy (labor power) in exchange for other commodities. The "value" of that labor power, he says, is the "crystallized social labor" which it cost; and its "use-value" to the purchaser (employer) is known by the "value" of the commodities produced as the result of using that labor power. Now, he urges, the employer gives full value for the labor-power he buys—for the "value," according to Marx, is what it will cost to keep up the laborer's energy. But in using that labor-power, whenever the laborer works beyond the number of hours necessary to maintain or reproduce his working capacity, the products produced in the hours beyond are "surplus values." He attempts to show by formulas that profits secured in exchange of commodities, other than labor power, result in no "surplus values"—but simply in a change in the ownership of wealth. As that is the objectionable feature of the wage-system, it is difficult to see where the difference comes in.

Boiled down, his theory amounts to this: That the laborer is robbed of the major portion of the fruits of his labor. And populists are willing to concede this, even if they deny the soundness of the reasoning by which Marx arrives at his conclusion.—Ed. Ind.)

Wm. C. Berg, Braidentown, Fla.: I wrote for your sample copies to see if you stood for socialism. You do not. You'd lose nothing if you did. When you do, I will try and help you. (There is where you are mistaken, Bro. Berg; we'd lose our self-respect if we stood for something and did not believe in it. If we ever do believe in socialism—whether "kangaroo" or S. L. P.—we'll "stand for it."—Ed. Ind.)

W. A. Hickok, Douglas, Neb: The Independent is all right. We must hold our organization together, as it is sure to be needed in the near future. They way things look now the Cleveland-Hill democrats will take charge of the democratic party hereafter and then we will have no use for it. I am a Bryan man, but will not follow Cleveland, Hill or any other gold-bug.

G. W. Beauchamp, Wichita, Kas.: I am much pleased by the style in which you go after the plutes (Pluto, who sits as ruler over the regions of the inferno, through which the river Styx is supposed to flow). Go after them with a sharp stick and prod them hard.

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