

EDITORIAL

THAT SIXTH QUESTION.

By DANIEL DE LEON

A BODY, “American Monetary Association” by name, has issued a circular letter, on the fourth page of which are twenty questions headed:

“HOW WOULD YOU ANSWER?
SUPPOSE A CHILD OR FRIEND ASKED—”

All the twenty questions are interesting. Among the most interesting is the 6th: “Is it true that men and nations get rich by exchanging what they do not want for what they do?!”

The question suggests a substantial economic untruth—the untruth that the source of richness lies in exchange, or Commerce. The source of richness, that is, richness acquired under existing legal form, is Production.

So ingrained is the spirit of Cheat and of Overreaching with the bourgeois, that it is next to impossible to straighten the kink in his mind and make him understand that Commerce, on the whole and in the long run, does not consist in the process of mutual overreaching, but in the square process of rendering value for value. Constitutionally unable to grasp this truth the bourgeois imagines he grows rich through exchange. But what the bourgeois imagines does not change fact.

When capitalist Prince A and capitalist Prince B meet in the world’s market—Prince A holding something that he does not want and that Prince B does, and Prince B likewise holding something that Prince A wants and he does not—an exchange takes between them. That the exchange takes, and is bound to take, place obedient to some measure is obvious. What is that measure?

The bourgeois says the measure is the utility of the article exchanged. The circumstance that, in retail, the purchaser buys for his own consumption, lends a color

to the fallacy about utility being the measure of exchange: he who needs a pair of shoes looks to the utility of the article; he who needs a coat looks to the utility of the thing. Otherwise when capitalist Prince A and capitalist Prince B meet. Neither buys for his own consumption; both buy for further sales. Obviously the utility of the goods cuts no figure in such transactions. What the measure of exchange is in such transactions illumines the measure of exchange in all transactions. That measure can be nothing fitful or whimsical, such as the degree of utility that the purchaser may attach to the goods: for that the ratio of exchange is, in the long run, too equable. The measure of exchange must be something held in common by all goods, regardless of their utility. That thing held in common by all goods is the amount of labor-power crystallized in them. This amount determines the value of the goods. It is by that measure that the goods are exchanged—value for value. That is Commerce.

Obviously, if capitalist Prince A receives from capitalist Prince B no more value than he gave to the latter, and capitalist Prince B receives no more value than he transferred to the former, neither can grow richer by the process. They do, however, grow richer. Where do they get it?

In the shop, one of the “raw materials” consumed in production and transmuted into the finished goods is labor-power. This “raw material” differs from all others in this that, while all others transfer only their own exchange value, labor-power transfers a larger value than its own. Its own exchange value, the exchange value at which it was purchased, being less than the exchange value which it yields, it follows that capitalist Princes A and B grow rich in the exact measure of the excess of the values that their wage earners yield over and above what they cost. In other words capitalist Princes A and B grow rich upon the wealth that they withhold from Labor. Accordingly, before Prince A and Prince B indulged in slightest exchange they had grown richer, just as rich as they were after exchanging goods.

Numerous and serious are the errors that flow from the fallacy concerning exchange being a source of wealth production. That fallacy lies at the bottom of the error concerning the workers’ being exploited in exchange, and it is the well spring of the misconception regarding Money that spook in the heads of “Monetary Associations.”

Not the Market but the Shop, not Commerce but Production is the quarry whence richness is dug. If Commerce did the trick, then the bourgeois would be the peer of Jehovah, able to create something out of nothing.

Transcribed and edited by Robert Bills for the official website of the Socialist Labor Party of America.
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