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EDITORIAL

## OPEN LETTER NO. 3.

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**C**HAS. H. Chase,  
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Comrade:—

Marxism lays down the principle that the (exchange) value of a commodity depends upon the amount of labor-power crystallized in it, and socially necessary for its reproduction. Bourgeois economists lay the value-determining factor in supply and demand. Marxism refutes the bourgeois theory with the argument that, if supply and demand are the value-determining factors, then, when supply and demand are equal, the two factors would cancel each other, and a commodity would cease to have value,—an absurdity.

You criticize the Marxian refutation with the argument:

“When supply and demand are equal, the commodity would have no value at all, cannot be used in any argument which pertains to actual economic exchanges, for the reason that ‘supply and demand are equal’ has no meaning unless a certain ‘price’ is understood.”

The criticism is false in dialectics; falser in economics and sociology.

The first dialectical defect of the criticism is a general one. The defect lies in the circumstance that the criticism itself involves a glaring violation of the very rule of reasoning which, however erroneously, it implies to be fundamental.

The theory of value advanced by the official professordom of bourgeois society is, as stated above, that the thing that determines value is the law of supply and demand. The theory was reeled off as late as last January 27 by a distinguished pillar of capitalism, the Hon. William H. Berry, Democratic ex-State Treasurer of the commonwealth of Pennsylvania, in the debate I had with him in Witherspoon Hall,

Philadelphia. No attempt is made in the theory first to have a certain “price” (value) fixed upon, or “understood.” Now, then, if the Socialist refutation of the bourgeois theory with the reasoning that “when supply and demand are equal the commodity would have no value at all” is a reasoning that “cannot be used in any argument which pertains to actual economic exchanges, **for the reason that ‘supply and demand are equal’ has no meaning unless a certain ‘price’ is understood,**” by no tenet of logic, or dialectical canon, can the bourgeois theory of supply and demand be endowed with “meaning” without “a certain ‘price’ being understood.” If the Marxian refutation falls for want of “a certain ‘price’ being understood,” then the bourgeois theory of value, which decidedly omits the previous “understanding of a certain price,” falls of itself; needs no Marxian refutation; is self-read out of court.

The second dialectical defect of the criticism is of more specific nature.

Mathematics is the exactest of sciences. Proceeding from the premises that two given lines, stretching on the Euclidean plane, do not diverge, that they are not even parallel, but that the opposite angle between each and their common basis is less than a right angle, hence, that they converge, the conclusion of Science is that, somewhere in space, there is a spot where the two lines are bound to meet,—nor is it of the slightest moment whether the precise spot is ever ascertained. The undeniable scientific conclusion that such a spot there is is of prime practical importance in mathematical calculations. The sides of the mathematician, who laid down the principle that two converging lines are bound to meet on some spot in space, would be shaken with laughter if objection to his principle were raised with the argument that “‘if two converging lines are bound to meet at some point in space’ cannot be used in any argument which pertains to actual mathematical measurements, **for the reason that ‘to meet on a spot in space’ as no meaning unless a certain ‘spot’ is understood.**” By parity of reasoning are the sides of scientific economy shaken with laughter at the reasoning that “‘when supply and demand are equal, a commodity would have no value at all,’ cannot be used in any argument which pertains to actual economic exchanges, for the reason that ‘supply and demand are equal’ has no meaning unless a certain ‘price’ is understood.”

Now, as to the economics and sociology of the criticism of the Marxian position and refutation of the bourgeois theory.

Neither the Marxian theory that the value of a commodity depends upon the amount of labor-power crystallized in it, and necessary for its reproduction, nor the bourgeois theory that the value-determining factor is supply and demand, is strictly speaking a principle. Both are but expressions of the opposite economic principle which underlies each. They are the first conclusions that flow from the opposing principles,—conclusions that are the first disclosures of the sociologic issue involved in the Class Struggle, or be it the modern Social Question.

The economic principle that underlies the Marxian conclusion is that Labor is the source of wealth; the economic principle that underlies the bourgeois conclusion is that the source of wealth is, well, “something else”—to use an expression of your own.

Bourgeois economists have been at the end of their wits to specify that “something else,” to fill the aching void.

Some have named it “Superintendence” or “Management”; others, “Risk”; still others, “Abstinence”; and so forth and so on, each outdoing the other in fantastic fancifulness. Paul Lafargue caustically summed up the multitudinous names of that “something else” with the word “Idleness,” in the epigram: “Wealth is the fruit of Labor, and the reward of Idleness.”

If the wealth that the capitalist appropriates is his “wages of superintendence,” or “management”—who produced the wealth that he superintended, or managed?

If the wealth that the capitalist appropriates is his “returns for risk”—who produced the wealth that was risked?

If the wealth that the capitalist appropriates is his “wages of abstinence”—who produced the wealth that he abstained from consuming?

Obviously, neither “Superintendence,” nor “Management,” nor “Risk,” nor yet “Abstinence”—all of them *ex post facto*, subsequent acts,—can have preceded, hence, produced wealth.

It will be readily perceived that the task to which the bourgeois economist buckled down was not the discovery of the source of wealth, and, the foundation being found, the raising of the social structure accordingly. His task was that for which pleaders are hired. It was the task to construct a foundation wherewith to justify the structure of capitalism—a structure cornerstoned upon the fact of wealth being

held by a class that did not produce it; and to conceal the fact; and, furthermore, to raise dust over and blur the fact that, seeing Idleness can produce nothing, the source of wealth can be none other than Labor.

The Law of Value, elaborated by Marx, being on the economic and sociologic field what a discovered secret of Nature is on the field of the natural sciences, it not only establishes a fundamental principle; from it at once flows the refutation in advance of all economic and sociologic theories that rise out of the camp of capitalism to buttress the same. Whether the theory be low, high, or no tariff; whether it be monometallic, bimetallic, or “elastic”; whether it be profit-sharing, or insurance; whether it be anti-immigration, or restrictive; whether it be remedial of factory work, restrictive of child and woman labor, or reduce of the hours of work; whether it be “publicity,” or “the sanctity of secrecy”; whether it be “segregation,” or “abolition of vice”; whether it be “One Chamber,” or “Two Chamber” legislatures, or “Commission Government”; whether it be Tax Reform, or Single Tax, or Income Tax; whether it be “Trust-busting,” or “Trust-curbing”;—whatever the theory be, at this advanced stage of capitalism the theory is dashed against the Law of Value. Either the theory is wholly stripped of all claim to respect, or it is exposed as mere make-shift, if not false pretence, stripped of all claim to permanent results for good—a game, however praiseworthy in some quarters, yet wholly unworthy of the candle of the militant’s efforts. In a word, the Marxian Law of Value unveils, poses, pushes to the front, and keeps there **THE CLASS STRUGGLE** as a social **FACT** that imperatively demands **SOLUTION**—not compromise, or patching up.

Long before capitalism felt the rolls of the tidal wave of the Social Revolution beating against its shores did it start to throw out break-waters. The advent of Marx—the first to formulate the philosophy of the Revolution, and the organizer of the philosophy into a Movement—gave a fresh impulse to the building of breakwaters, and also imparted precision to their purpose. With an instinct that cleanses Instinct of all discredit, and that is at once the glory and halo of Marxism, the economic break-waters have all been directed against the Marxian Law of Value. The capitalist theory concerning supply and demand as determinators of value is one of these break-waters—a break-water that, like its predecessors, plain dialectics planted on the Marxian Law of Value instantly sent to smash, and the debris of all

of which break-waters ever since have come tumbling down the stream of time—the flotsam and jetsam of Bourgeois Intellectuality.

No more than to “superintend” or to “manage,” or to “run risks,” or to practice “abstinence” accounts for the source of wealth does supply and demand determine value. That bit of bourgeois economic incantation is effectively dispelled by the Marxian dialectics which reduce the supply and demand theory to an absurdity by the trenchant reasoning that, if supply and demand were, indeed, the determining factors of value, then, whenever these opposing factors are equal, they must cancel each other, and then value would instanter cease to be—hocus-pocus, to the greater glory of the God Capital.

Fraternally,

ED. DAILY PEOPLE.

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