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DIALOGUE

## UNCLE SAM & BROTHER JONATHAN. {119}

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**B**ROTHER JONATHAN—I have frequently heard you use the term “exchange value.” Now, I wish you would remember that I am no college professor, but a plain workingman. What does that term mean in English?

UNCLE SAM—And before going further, I wish you to remember that one need not be a “college professor” to buckle down to the common-sense proposition, that if he wants to talk intelligently on a scientific question he must use and understand technical terms.

B.J.—But can’t you use some other and plainer word?

U.S.—Could you not use some other word than “shuttle,” or “woof,” when you speak of spinning?

B.J.—Yes, I could, but it would be clumsy to do so, and then one might be misunderstood. If you say “shuttle” or “woof” you are understood without the peradventure of a mistake.

U.S.—And that is just why, when talking economics, every sensible man, from the most poetic, like Lassalle, down to the plainest, must use the term “exchange values” instead of some roundabout phrase.

B.J.—Well, let it be so. What does the thing mean?

U.S.—If you take thirty yards of your cloth to market and wished to have wheat, you would be willing to exchange the cloth for wheat, would you not?

B.J.—Yes.



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U.S.—Would you be willing to give all the thirty yards for one bushel of wheat?

B.J.—Are you crazy?

U.S.—Not yet. Would you?

B.J.—Not much, I would.

U.S.—Why not?

B.J.—Because my thirty yards of cloth are worth \$2.10, while a bushel of wheat is worth only 70 cents.

U.S.—That being the case, a yard of your cloth would be equal to one bushel of wheat?

B.J.—Just so; each is worth 70 cents.

U.S.—Now, then, the “exchange value” of one yard of your cloth is one bushel of wheat; and the exchange value of one bushel of wheat is one yard of your cloth. “Exchange value” means that quantity of value that goods have, and for which they may be exchanged.

B.J.—(looking very surprised)—Now, that beats all I ever saw! The thing is so simple. I imagined it was some very profound thing, that “exchange value.” I see, however, that there is nothing particular about it. I wonder why you and all Socialists talk so much about it.

U.S.—Because thereby hang all the profits and the law, so to speak.

B.J.—I can’t imagine that.

U.S.—I’ll show you. Why are you willing to exchange one yard of your cloth for one bushel of wheat, and thirty yards of your cloth for thirty bushels?

B.J.—Because they are worth the same thing.

U.S.—And why are they worth the same thing?

B.J.—Because—why—yes—because—why, don’t you know?

U.S.—I do; but do you?

B.J.—Well—yes—because—why, of course—

U.S.—Don’t flounder. Just because the quantity of labor present society needs to produce a bushel of wheat is the same as the quantity of labor present society needs to produce a yard of your cloth.

B.J.—Very well. What of it?

U.S.—A good deal. This is the pivot upon which the whole social question revolves.

B.J. (surprised)—You don't mean to say so?

U.S.—I do. Suppose some one starts a large farm and applies improved machinery, and is able to turn out two bushels of wheat in the time and with the labor that the farmer now turns out one bushel, would you be willing to continue to exchange one yard of your cloth for one bushel of wheat?

B.J. (with indignation)—Indeed, I would not!

U.S.—You would want—

B.J.—Every bit of two bushels.

U.S.—Do you realize why?

B.J.—Well, I guess, on the principle you just mentioned—the amount of labor society requires to produce one yard of my cloth is equal to the quantity of labor required to produce two bushels.

U.S.—Correct. The exchange value of one yard has become equal to two bushels. And suppose the method of producing wheat were further perfected, and ten bushels were turned out in the same time that it formerly took to turn out one?

B.J. (beating his hands with glee)—That would be bully! I would then get ten bushels per yard of cloth. The exchange value of one yard of my cloth is equal to ten bushels.

U.S.—And if 100 bushels were turned out in the time it now takes to turn out one?

B.J.—Bullier yet! I would get 100 bushels per yard; that would be the exchange value of one yard of my cloth.

U.S.—You are joyful before season. Don't you see whither that tends?

B.J.—No!

U.S.—Let us turn the tables around. Suppose some one starts weaving with a better machine than yours and turns out two yards in the time it takes you to turn out one, do you imagine the farmer would let you have a whole bushel of wheat for one yard of your cloth?

B.J.'s face begins to fall.

U.S.—Would he?

B.J.—No.

U.S.—How much will he let you have?

B.J.—Guess only half a bushel.

U.S.—Why?

B.J.—Because that has become the exchange value of his bushel of wheat.

U.S.—And suppose that competing weaver turns out ten yards with his machine while you are turning out only one, what would then be the exchange value of the goods of you and the farmer?

B.J.—One yard of my cloth would be worth one-tenth of a bushel.

U.S.—And if your competitor turned out 100 yards to your one?

B.J. (with a decidedly sad look on him)—I would starve.

U.S.—Why?

B.J.—Because one yard of my goods would be worth only one-hundredth bushel, and I could not then produce fast enough to keep me in food.

U.S.—Do you now see whither all that tends?

B.J.—I have an idea I do.

U.S.—Whither does it tend?

B.J.—It tends to my ruin.

U.S.—Let us state the case more pointedly: The law of exchange value demonstrates that the more perfect machinery becomes—

B.J.—The less labor is spent in the production of a single thing—

U.S.—And consequently that he who has not the requisite capital, or machinery, to produce with—

B.J.—Can't compete with him who has.

U.S.—And that the result is that he must be ruined. The new Northrop loom, for instance, will throw you on your back, the same as perfected machinery has thrown every small competitor on his back. Now, do you see all that there is in that simple law of “exchange value?”

B.J. (heaves a long sigh)—Guess I now do.

U.S.—The law of exchange value is a cardinal law of economics. It should be carried before the eyes as the Jews carry their phylacteries. It must never be lost sight of. If you lose sight of it for a moment, your whole reasoning capsizes.

Labor, the quantity of labor society needs to produce goods with, establishes the exchange value of those goods.

From that fact follows inevitably:

1. That the less labor society needs for the production of anything, all the less is its exchange value;

2. That machinery, because it increases production and the productive power of labor, causes the exchange value of goods to decline;

3. That, as a result of this, those who cannot produce with machinery as perfect as the most perfect, are unable long to compete with him who can, because the exchange value of the goods produced by him is so much cheaper that he can undersell the others and drive them out of the market;

4. That the small man is hopelessly lost, whether on farm or in factory;

5. That the price the worker can get for his labor power steadily declines—all the advantages of increased production of wealth falling to the capitalists, i.e., to those who hold possession of the perfected machine;

6. That the masses, unable to earn their living, because deprived of the instruments socially necessary to produce them, are bound to become more and more dependent upon the capitalist; and

7. That nothing short of placing in the hands of the workers the machinery and the land they need for production will in the remotest way do them any good. Otherwise they will decline steadily and inevitably.

B.J. (giving Uncle Sam his hand)—You were right. Technical language is a necessity in dealing with such questions. I now see it all as in a map. The law of exchange value settles the question. We may flounder about as we like for an escape from the increasingly tighter fix in which we are getting, but no scheme will bring help. The law of exchange value settles it, that we must move on towards Socialism. That or death.

U.S.—And you now realize the wisdom of the Socialists to hammer upon that point?

B.J.—Fully. Only by constant hammering will that truth finally stick in our noodles. With it we will move on and conquer; without it we shall flounder about as I did at first. Hammer, Uncle Sam, hammer away!

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