DAILY PEOPLE

VOL. 12, NO. 45. NEW YORK, MONDAY, AUGUST 14, 1911. ONE CENT.

EDITORIAL

THAT SEVENTEENTH QUESTION.

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THE third interesting question of the most interesting four among the twenty propounded by the "American Monetary Association" is:

"How would you explain and illustrate the meaning of the words money, value, price, profit, slavery, theft, alms, graft?"

We shall begin with the second, leaving the first for third place:—

"Value" is that quality, common to all commodities, which determines the proportion in which they are mutually interchangeable, and which is imparted to all by the amount of labor-power socially necessary for their production.

To illustrate:

The value of an ounce of gold is determined by the amount of labor-power socially necessary to produce it. That amount of labor-power determines how many bales of hay, or yards of calico, are equal to that ounce of gold.

"Price" is the amount of goods that any given commodity will exchange for in the market at a given time. That amount of goods is called the price of the given commodity. If there are no perturbing causes in the market, the price of the given commodity will coincide with its value. If the normality of the market is perturbed the price will rise above, or will sink below the given commodity's value. The normality of the market is subject to two main perturbing causes—supply and demand. If the supply exceeds the demand, the price will sink below the value; if the supply falls short of the demand, then the price will rise above the value of the given commodity.

To illustrate:

The market being normal, the price of an ounce of gold will be the amount hay or calico in which is crystallized an amount of socially necessary labor-power for its production equal to the amount of socially necessary labor-power for the production of the ounce of gold;

If the market is perturbed, owing to the supply of gold being in excess of the demand, while the supply and demand of and for hay and calico remain stationary, then the price of the ounce of gold will be a smaller amount of hay or calico;

If the market is perturbed, owing to the supply of gold being below the demand, while the supply and demand of and for hay and calico remain stationary, then the price of the ounce of gold will be a larger amount of hay or calico.

"Money" is the name given to any one commodity through which, for the sake of convenience, the value, and, of course, also the price of all others, is expressed. Owing to this circumstance "money" becomes a "medium of exchange" and is said to be "measure of value.—

To illustrate:

At a time in the history of the race and of money, the commodity then thought to be the most convenient through which to express the value, hence also the price of all others, was cattle. Proof of the fact is preserved down to our own times in the English word "pecuniary," together with its derivatives, all of which are derived from the old Latin word "pecunia" (money), in turn derived from "pecus" (cattle). Later, the precious metals, gold and silver were selected as the commodity through which to express the value of all others.

All is not said about "money" when this is said. Sociologic progress has effected such developments that the above definition and illustration in money is, to-day, incomplete. Nevertheless, all further definition and illustration is planted upon the definition and illustration just given.

"Money" has become "a creature of law"—partially so, in one aspect; absolutely so, in another aspect.

The aspect of money in which it is partially a creature of government arises from the social invention of stamping with the stamp of government certain quantities of the precious metals. This invention saves trade the trouble and inconvenience of weighing the metal at each transaction. The stamp is presumptive evidence that actual weight and the stamp coincide. The stamp is, however, presumptive evidence only.

To illustrate:

When the purchaser of hay or calico of the value, or be it that day's market price, of $10, lays down a ten-dollar gold piece, the seller of the hay or calico is not compelled to accept the coin. If for any of a score of reasons he mistrusts the proffered coin, he is at liberty to decline the exchange. He may be foolish; he may be in error;—that is his business. In that matter he is the sole and last court of appeal. This right proceeds from the barter nature of "purchase and sale," a fact which the differentiation of one commodity from all others, as the one through which to measure the value of all, veils but does not alter. Purchase and sale remain the exchange of value for value, subject to market perturbations. Money in exchange is, accordingly, only partially "a creature of law."

The aspect of money as absolutely "a creature of law" arises from a further social invention, the invention of "Debt," an invention that marks a high degree of perfection in governmental organization. As a "payer of debts" money is the absolute creature of government; the fiat of government is final.

To illustrate:

He who had land, for instance, and wanted cattle and had no other commodity to trade for cattle, and no money to purchase the same, had to remain without the cattle. This being due to the unenforcibility of, or difficulty to enforce the payment of debts. The perfected organization of government removes the difficulty. Debt becomes a social status that government takes charge to liquidate. The land owner then borrows the money he needs under an obligation to return it and pay the interest thereon. When the debt matures the land owner who borrowed, say, $100, can make payment by tendering to his creditor a hundred things which government has stamped of the value of one dollar. It matters not whether gold has since declined in value, and the dollar has no longer the full exchange value that it had at the time the debt was contracted. The fiat of government—ONE DOLLAR—is final. The debtor must accept, he has no redress. Inversely, it matters not whether, since the contraction of the debt, the value of gold has risen, and the exchange value of the dollar is far above what it was; in other words, it matters not whether, at maturity of the debt, the debtor has to return a larger value than he received. It matters not. The fiat of government—ONE DOLLAR—is final. Money as debt payer is "legal tender," it is a creature of law.

Due to these later acquired aspects by money, the financial world stands on a slippery banana peel, despite the origin of money.

"Profit" is that portion of the wealth produced by the Working Class which the Capitalist Class appropriates by virtue of the private ownership of the necessaries for production, together with the resulting commodity feature of labor-power, which, in the last analysis means the workingman himself.

To illustrate:

The capitalist buys labor-power in the labor market at its exchange value, say 20 cents an hour. The use value of labor-power is that it yields more wealth than its own value. Hence the labor-power of the value of 20 cents an hour yields in that hour more than 20 cents' worth of wealth. All that is yielded above the 20 cents is profits and is pocketed by the capitalist. "Profits" is another name for "unpaid wages."

"Slavery" is the condition of human beings who are compelled to yield a part of the fruit of their labor to support others.

To illustrate:

The chattel slave, held down by chains or a physical whip to work, produced his own keep and his idle master's. The wage slave, held down by the invisible whip of hunger, produces his own keep and his master's, the idle capitalist's.

"Theft" is the appropriation of the fruit of others' labor.

To illustrate:

The Capitalist Class thieves all that part of the wealth produced and which the Working Class does not receive back as wages.

"Alms" is that pittance of the wealth stolen from the Working Class, which the Capitalist Class returns to the Working Class for court plaster to the gashes inflicted by capitalism upon the workers.

To illustrate:

Carnegie presents $50 to the widow and orphans of mine disasters.

"Graft" is that portion of the wealth, stolen by a capitalist from the workers, which another brother capitalist cheats him out of by means of governmental favoritism.

To illustrate:

The Ryan, Morgan, Guggenheim syndicate grafted upon the holders of Alaska coal fields through the favoritism of Taft who connived at their appropriation of the only harbors to those fields.

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Uploaded June 2012

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