

VALUE A MODE OF ECONOMIC ENERGY

Quantitatively Related with Labor Expended in Production, and Not Dependent on the Community.

Editor JUSTICE:

I have long wondered why so clear a thinker as Mr. Burleigh should go so sadly astray on the question of the relation of value to the community, but his paragraph in the current number of JUSTICE shows how he falls into error. One notes that he uses the words "cause" and "produce" loosely, and that he ignores entirely the quantitative relations of the problem.

In a paper sent your predecessor and mislaid by him, I showed at length and in a manner which I have neither time nor inclination to reproduce now, how the logic of Mr. Burleigh, if correct, reduces to absurdity his definition of value as "utility in exchange"; for the conclusion that society produces [or causes] value other than land value, is on its face absurd. I also show that value is a phase of economic energy, and trace its analogies with the energy known to physics and chemistry.

Mr. Burleigh's error may however be shown less elaborately, and for that I now beg a few inches of your space.

To conceive of value as an attribute of things similar to color in its psychic relations (the physical relations of color are too complicate to be considered here) and to say that there can be no value except in the presence of a community, as there can be no color except in the presence of an eye, is to limit value erroneously; but even admitting its correctness for argument's sake, one sees by the comparison that to speak of "causation" or "production" concerning "value" thus limited in meaning, is to involve one's self in a hopeless labyrinth. Everything must be caused, it is true. The psychic relations of color are caused; but one cannot say that they are caused by the eye or even by the brain. Their cause is complex and remote and need not detain us except to point the negative. Unless Mr. Burleigh is prepared to say that color is caused by the eye (or brain) he cannot hold that even his erroneously limited "value" is caused by the community. The eye (or brain) is a condition necessary to the perception of color, just as a community is a condition necessary to the manifestation of Mr. Burleigh's "value"—but that is all. Mr. B.'s argument simmers down to this: "You can't swap if there's no one to

swap with—which is a perfectly true statement, but which utterly fails to explain the causation of value. This may become even clearer if we reflect that it would be equally true and equally irrelevant to say: "You can't swap if you've got nothing to swap with." Both statements are like "the flowers that bloom in the spring."

Mr. Burleigh must leave the region of quality and vagueness and enter that of quantity and definiteness. If the community "causes" value, why don't it cause value equally in all things? Why does it cause so much more value in a diamond than in an equal bulk of wheat? There is more necessity for wheat than for diamonds in a community. Why does not the value of all things have a direct proportion to the number of persons in the community, as land value has, if the community is the cause in every instance? Why don't the community give value to water when there are free springs, just as it does when springs are monopolized?

Disguised and modified as normal value may be by various and varying conditions, which we may agree to call in the aggregate "supply and demand," its ultimate measure is the effort expended in producing [or, more accurately, required to reproduce] the valuable article; its cost. Superficially speaking it is correct to say that cost is the cause of value; for without cost there would be no value, be the community never so large. "What would be the value of cigars in a community of non-smokers?" asks Mr. Burleigh; which is as if he said, "What would be the color of a red coat among a community of Daltonians or of blind men?" The argument is puerile. Treating it seriously, however, I would reply by asking (1) How should cigars come into a community of non-smokers? (2) What would be the value of cigars in a community of smokers if they could be obtained without effort?

Even admitting that value is solely a phenomenon of exchange (which I don't admit) it is evident that its quantity depends not upon the number of persons in the community, which would be the case were the community its cause, but upon the quantity of effort necessary (other things being equal) to obtain the thing desired. This may be increased or diminished by communal influences, which thus affect value without causing it. It is "effort of production," "cost," "labor expended," that causes value; and to this cause, value bears a direct quantitative relation, the importance of which I shall show further on.

But let me go to the heart of the question and ask Mr. Burleigh, WHY do things exchange? Mr. Burleigh says that value is "utility in exchange." If

so, then that which causes things to exchange, causes value. Is it the presence of the community that causes things to exchange? Take Mr. Burleigh's own illustration, cigars among non-smokers. The community gives no value to the cigars. They will not exchange, that is, nobody will give for them that which has cost him effort to get, because nobody desires them. Why, then, do cigars exchange among smokers? Because they are desired? Not this alone, for we have just seen that they would not exchange, no matter how ardently desired, if they could be got without effort; but as they cannot be so gotten, but must be produced by human effort, those who wish them will give for them things costing an approximately equal effort, and the CAUSE of value, as manifested even by "utility in exchange," is effort—cost—labor. All this is so obvious and elementary that it seems like waste of words to repeat it—yet it must be repeated because Mr. Burleigh ignores it.

Let us, however, reverse Mr. Burleigh's definition, and the facts of the case at once become clear. According to Mr. B., things have value because they can be exchanged. The truth is that THINGS CAN BE EXCHANGED BECAUSE THEY HAVE VALUE. You can't swap things that cost nothing. The cigars among smokers have value, and THEREFORE can be exchanged for other things having value, because, being desired, it costs effort to produce them. This possession of value does not depend upon the presence of a community. It holds true as to a cigar-making Robinson Crusoe. If not, why does not such a Robinson give his cigars without return to any Friday or Monday? Why does he demand service or things in exchange? It is evidently because, desiring cigars, he knows that if he parts with those he has, it will cost him effort to get others; and he is unwilling to expend that effort unless for it he gets an equivalent in companionship, service, or wealth. His effort has value to himself, and his own desires and his own exertions, not Friday's or Monday's, are the causes and the measures of the value to him in that which he makes. when alone, and that which he buys when in a community.

Value is thus a psychic phenomenon inasmuch as it cannot exist unless there is, in addition to desire (which animals can have) the capacity to foresee and es-

estimate the cost of reproduction; and the repugnance to exercise this effort in reproduction causes the holder of wealth to refuse to part with it unless he gets for it something desired which will cost him an

equal or greater effort. There will be objectively unequal exchanges and subjectively equal.

The two factors in value are Desire (for things) and Repugnance (to effort) exactly comparable to Attraction and Repulsion in the physical world. Now we can measure either of these factors by its opposite. The attraction of gravity is measured by the effort of lifting in opposition to gravity; the chemical repulsion of certain substances by the electric or other effort necessary to effect their combination. But in expending energy to lift a weight or effect a chemical combination, that energy does not disappear; it becomes POTENTIAL, and under favorable circumstances is released, becoming again active or KINETIC, as when the falling weight moves a clock, or the chemical decomposition discharges a cannonball or rends the rocks. Is it the spark or concussion that gives force to the explosion, or the repugnance of the chemical elements to remain combined? This is quickly answered by seeing that in the one case there is a direct quantitative relation, but not in the other. Is it the release of the catch that makes the clock go, or the pull of gravity on the weight? Again the answer is made manifest by the quantitative relation, and as the chemical combination was effected by effort, and the weight was lifted by effort, it is this effort of production that is, for our purpose, the cause of the explosion or the cause of the motion of the clock. And that this is true is proved by measurement of the energy exerted, stored and released. The greatest discovery of modern times is that of Julius Robert Mayer, the young physician of Heilbronn, that all the forces of nature are but varying manifestations of a single energy, which disappearing in one form, reappears in another, giving an exact equivalent in heat for motion, in motion for heat, in light for electricity, in electricity for chemism, or whatever the immediate transformation may be. "Ex nihilo nihil fit," nothing comes from nothing; nothing goes to nothing. There must be a quantitative equivalent for what appears, a quantitative equivalent for what disappears.

So it must be with value. It cannot come from nothing; it cannot go to nothing. There must be a quantitatively

equivalent cause for its appearance, a quantitatively equivalent result of its disappearance. [For cause and result are but terms of invariable sequence.] Here we are to consider the appearance merely; the disappearance is a complex problem. Mr. Burleigh's "community" is no such cause for the appearance of value, as oxidation for heat, or heat for motion, and cannot be considered for a moment in a scientific discussion.

We have hitherto spoken of value as being dependent on cost—that is, effort of production. But the physical effect of production having its physical equivalent in the physical alteration of the thing produced, cannot be in this deeper analysis the true cause of value. It accompanies, measures, and serves for colloquial and vulgar illustration of the real cause, and in ordinary conversation no harm is done by so terming it; but value being a psychic phenomenon accompanying the physical production of wealth, must have a psychic cause accompanying the physical cause of production. This we have already seen in considering Repugnance to Exertion. The psychic effort necessary to overcome the repugnance to labor is therefore the ultimate cause of value. It is measured by its opposite, the desire for the thing produced. The play of these two forces, desire and repugnance, gives rise to the phenomena of economic energy; that is, effort expended in production and exchange.

A working definition of value founded on the same facts, but less recondite than the foregoing, is "Power to command labor," which, being applicable whether we consider a solitary producing for his own consumption or a member of a community producing for his own consumption and for exchange or solely for exchange, and likewise being applicable alike to land, wealth and service, leads to none of the fallacies into which Mr. Burleigh has fallen.

This letter has grown beyond my intention. It is crude, and in the endeavor to avoid technical terms, in order to reach non-technical readers, I may have been at times verbose, as well as tautologic, but I trust that its main intention is sufficiently clear.

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