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The Crucial Point

By DANIEL DE LEON

 ur friend, the Independence (Kan.) *Star and Kansan*, puts a question and makes a statement that require attention. It says:

“ People talk about gold being a measure of value. Now I should like to know how on earth the grains of metal in a gold eagle could measure the value in a bushel of wheat? The thing is impossible. Value is the expression of a ratio or proportion between what a man has and what he wants.”

Would you, indeed, like to know how on earth the grains of metal in a gold eagle can measure the value in a bushel of wheat?

The thing is easy. Ascertain the quantity of labor required by society to produce the grain of gold, and ascertain the quantity of labor required by society to produce a bushel of wheat.

If you proceed from the principle which you enunciate, that “value is the expression of a ratio or proportion between what a man has and what he wants,” you would be raising to the dignity of a law, i.e., to the level of normal conditions, what is true only in exceptional cases. King Richard on Bosworth Field, having a kingdom and being dreadfully in want of a horse, may be willing to exchange his kingdom for a horse. But who would venture to establish an economic rule upon a case of distress? If the value of horses depended upon the ratio between what a man wants and what he has, we would be unable to talk of such a thing as the “market price” of horses; their value would be controlled by accident wholly; now they might be worth a kingdom, then again a toothpick. In view, however, of the fact that when we compare long periods together horses and all other goods are found to be exchangeable for a normal quantity of wealth, your theory falls through.

The value of goods in exchange depends upon that which they all have in common; the “use” to which they may happen to be put cuts but a secondary figure. Spittoons may be used to collect cigar stumps in; at Democratic and Republican gold-bug and silver-bug conventions they are frequently used by the delegates to break one another’s heads with; diamonds in the hands of a glazier are used to cut glass with, on the palpitating buzzum of a capitalist Alderman their utility consists in notifying those whom it may concern that the wearer is no longer to be bribed by a drink, etc. No man who has enjoyed the most elementary mental training could claim that the ratio of exchange between spittoons and diamonds depends upon their uses, the uses of each being so different and of all being so distinct. Elemental principles in logic point to the conclusion that if these goods are exchanged as we find them to be at certain ratios, it must be that they are compared together and that they are exchanged upon the basis of that which they all have in common. That which, the only thing that all goods have in common, is the quantity of socially required labor crystallized in them.

Thus, strange as it may seem, a grain of gold can be the measure of value of a bushel of wheat; a toothpick of a pound of meat; a glass of beer of a yard of silk; in short, each and every commodity can be the measure of value of all others—because all goods have labor crystallized in them.

This principle is simple and plain, yet it is a crucial point. He who understands it is free from all danger of visions, illusions or sidetrackings. He perceives that, labor being the basis of exchange, the more perfect and concentrated the machinery of production is, the less is the quantity of labor socially necessary in each commodity; consequently, that he who produces with less perfect tools cannot compete with him who does; consequently, that the middle class is doomed to drop into that of the proletariat; consequently, that there is no alternative to mankind but the Socialist Commonwealth, or the tyranny of capital. He who has grasped that central, crucial point in political economy realizes that Socialism is not a beautiful, ethical ideal simply, he catches on to its being an immediate, practical necessity, and steers for that haven without going to smash on the rocks that beset his path.

[Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America](#)

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