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EDITORIAL

PEACH-BASKET HATS AND DEBATERS.

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ON last December 13 a debate took place at Garrick Theater, Chicago, between two members of the Socialist party—Arthur Morrow Lewis and Prof. John Curtis Kennedy of the political economy Department of the University of Chicago. The subject was: “Is the Marxian theory of value exploded?” Prof. Kennedy held the affirmative; Mr. Lewis the negative. A marked copy of *The Evolutionist*, a magazine issued by Mr. Lewis and containing the debate in full, was received at this office this week with the exclamation: “Ain’t they peaches!”

Prof. Kennedy must have his Socialism by faith: not otherwise is the miracle explainable of a person declaring himself a Socialist and yet reject(ing) the Marxian theory of value. On the other hand, Mr. Lewis must have his belief in the Marxian theory of value also by faith: not otherwise is the performance explainable of a person swearing by the Marxian theory, and yet not know(ing) what it is.

The battle raged fiercest, because sublimest, around peach-basket hats—an illustration chosen by Prof. Kennedy to demonstrate that the Marxian theory to the effect that “the value of all commodities is determined by the average amount of socially necessary labor time required to produce them,” is false. Peach-basket hats, said the professor, sold, early in the year for five dollars; later in the year, they having gone out of style, the professor saw in a department store a large table heaped with beach-basket hats and a big card sticking up in that pile, saying, “Your choice for thirty cents.” Triumphantly pointing to this fact, the professor triumphantly declared: “It took just as much labor to produce such a hat last summer as it did earlier in the year. But when those hats went out of style they lost most of their utility, and, therefore most of their value”; returning to the charge, the professor reiterates: “So long as those hats were in style they were ALL worth five dollars each; when they went out of style NONE on them—sold or unsold—were

worth more than thirty cents”; finally, dealing what was meant to be a knockout blow to the Marxian theory, the professor quotes from Marx’s *Value, Price and Profit* the passage that states: “As price is exchangeable value—and when I speak of value I speak always of exchangeable value—expressed in money,” etc.; and the professor concludes: “From this statement it is clear that according to Marx himself price is simply an expression of value in terms of dollars and cents. Therefore, when the price of those hats fell from five dollars to thirty cents even according to the Marxian theory there was a great decline in their value.” And the professor rests arms and wipes the perspiration from his complacently victorious brows.

At this point the reader who is not yet acquainted with Orator Arthur Morrow Lewis, and seeing him step forward, is likely to say: “Poor professor, he’ll now be beaten into pulp!” The reader would expect to see Mr. Lewis pull the copy of Marx’s *Value, Price and Profit* from Prof. Kennedy’s hands, and address him in words as follows, to wit: “High worshipful professor, allow me to rub your professorial nose against the words ‘exchangeable value’ in the passage you have just quoted. And if the rubbing does not sufficiently put you on your guard touching the difference between ‘price’ and ‘value,’ allow me to rub your Learnedness’s sniffer over this fuller and more explicit passage in the same work—‘Supply and demand will explain to you why the market price of a commodity rises above or sinks below its value’; and let me give your sniffer other rub over this other passage: ‘The oscillations of market prices, rising now over, sinking now under the value or natural price, depend upon the fluctuations of supply and demand.’ Seeing your Wisdom gets so quickly beyond your depth, I shall not take you into the deeper waters of *Capital*, but shall content myself with this smaller work of Marx, chosen by yourself. According to this work itself, ‘Value’ is one thing; ‘price’ another. ‘Value’ is the labor-power crystallized in a commodity and socially necessary for its production; ‘price’ is the money expression that ‘value’ fetches in the market according to the supply and demand of the goods embodying the ‘value.’ If the supply of the goods is above the demand, then ‘price’ will fall below ‘value’; if the demand is above the supply, then ‘price’ will rise above ‘value’; if supply and demand equilibrate each other then ‘price’ will coincide with ‘value,’ in that case the price is what Adam Smith calls ‘natural price,’ the prices in the other instances

being ‘market prices.’ So that, may it please your Sapiency, if, when your peach-basket hats sold at \$5 they were selling at their value, as you claim, then, when shortly after, they sold for 30 cents, their price was \$4.70 below their value due to a declined demand; if, on the contrary, when they sold for 30 cents they were selling at their value, as you claim, then, when shortly before they sold for \$5, their price was \$4.70 above their value, due to an excess of demand. To say that the identical hats had different ‘value’ notwithstanding the identical amount of labor-power socially necessary to produce them was crystallized in them is like saying that one day a pint measure equals a gallon, and another day a gallon equals a pint measure. Consequently, may it please your Talentship, when, quoting Marx, you said that ‘according to Marx himself, price is simply an expression of value in terms of dollars and cents,’ and from that you concluded that ‘therefore when the price of those hats fell from five dollars to thirty cents even according to the Marxian theory there was a decline in their value,’ when you said that you committed a combination of sins—you misquoted and you reasoned illogically. You misquoted in that the context of the passage in which Marx refers to price as ‘simply an expression of value,’ and all that preceded and all that followed, leaves it clear that the ‘price’ there spoken of is ‘natural price,’ that is an expression in dollars and cents that, being unperturbed by supply and demand, coincides with ‘value’; you reasoned illogically, inasmuch as, being hopelessly mixed upon what ‘value’ and what ‘price’ means, your conclusions proceeded from false premises.”

Did Orator Lewis settle Prof. Kennedy this wise? Not at all. While the professor was all tangled up on “price” and “value,” and stumbled and fell prone, the orator got the legs of his brains all tangled up in another Marxian proposition, in “useful labor” and “useless labor,” staggered all over the stage, and fell flat upon his nose. Mr. Lewis’s explanation of the jump in the prices of peach-basket hats from \$5 to 30 cents was that the labor in the hats was “useful labor” when they sold at \$5, but was “useless labor” when they sold at 30 cents, and, consequently, the Marxian law of value was correct. He condenses his reasoning into one neat and terse sentence for which credit is due him. Drawing an analogy between peach-basket hats and art calendars of which, say, two millions have been produced in advance and one million sold in season, he says: “The second million will not have the same value

and they will not bring the same price. While they contain the same AMOUNT of labor it is not the same KIND of labor. The first million contain value-creating labor; the second million contain useless labor. The left over peach-basket hats 'look like thirty cents' because they contain useless labor."—Shades of Marx!

"Useful labor," in the Marxian technique, is the labor socially necessary to produce a commodity; "useless labor" is the expenditure of labor power in excess of that which is socially necessary. If, with improved machinery, a table can be produced in two hours, then the two hours are "useful labor," that being the labor socially necessary to produce the commodity. If a man, using primitive tools, were now to expend ten hours in the production of a similar table, then eight of those hours would be "useless labor," useless to him, because they have imparted to his table no more value than the two hours of the artisan working with up-to-date implements. The labor expended in the two million art calendars or peach-basket hats was, in economics, uniformly "useful" or uniformly "useless," not according to the amount of the goods left over, but according as they were produced with only the amount of labor-power socially necessary, or with an expenditure of labor-power in excess of that which is socially necessary. The Marxian distinction between "useful labor" and "useless labor," together with the conclusions that flow therefrom, is one big with the Fate of Civilization. In the distinction—a distinction that pronounces the doom of the small producer—Revolution lies imbedded; either the Revolution of the Co-operative or Socialist Republic; or, if the people are much longer professorianized, oratorianized, or otherwise lunkheadened, the Revolution in which a new form of feudalism, Feudal Capitalism, will merge out of a popular massacre of "useless labor."

And so the two, the professor and the orator, tugged around the peach-basket hats till one's fingers itched to bang their two heads together, and pull a thirty-cent peach-basket hat over the ears of both. The two debaters acted exactly the way that two men, who knew not the first thing about checkers, would act—one of them setting up his men on the black squares, the other setting them up on the white squares, and each moving them across the board, until each set of men, without ever touching each other in the transit, would "victoriously" occupy the other's camp. The professor and the orator never clinched: both remained unscathed.

About the year 1,100 B.C., the Gileadites having worsted the Ephraimites, discovering that these attempted to escape by concealing their identity, and knowing that the Ephraimites could not enunciate the “sh” sound but gave it the sound of “s,” held up every suspect, and made him pronounce the word “shibboleth.” Woe to him who said “Sibboleth”! His head was forthwith caved in. About two thousand and four hundred years later a similar method was resorted to in Sicily. The Sicilians having risen en masse against their then French masters, massacred every Frenchman, and, presently discovering that some of the French were pretending to be Sicilians, again held up every suspect and made him pronounce the Italian word, “cicciero,” a word unpronounceable by the French. Woe, again, to him whose lisp betrayed the impostor! He was despatched on the spot. It looks very much as if now, six hundred years since the latter historic event, three thousand and fifty since the former, some test of the sort should be insisted upon to discover the impostors who would palm themselves off in the Socialist Movement for perambulating lumps of intellectuality. And the test is at hand. The shibboleth and cicciero of the occasion is “Price and Value”—define that! The modern impostors need not be stabbed, nor brained—they ought to have a peach-basket hat clapped for a permanent token upon their empty pates.

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