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EDITORIAL

## IRVING SCOTT IN JEHOVAH'S ROLE.

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**A** SAN FRANCISCO correspondent asks this office to “locate the error,” if error there be, in the following reasoning advanced by Irving Scott, proprietor of the Union Iron Works:

“I admit your [the Socialist] ‘definition of value’, but I deny your ‘source of profit’. You Socialists say that Labor produces its own value in part of the day. I make the statement that it takes the whole day for Labor to produce its own value, and that value is paid to Labor in full. The profit is made by adding to the cost of the production of the commodity an amount equal to a ‘fair return’ on the capital invested. In the long run the price of a commodity is fixed by that capitalist who can take the least profit and survive. The others are crowded out of the game unless they meet his condition.”

Mr. Scott has advanced no reasoning. He has merely made statements unsupported by argument. He has done worse. He has made, unsupported by argument, statements against statements made by Socialism which Socialism supports with argument. Experience teaches that the statement, unsupported by reasoning, that is flung at a statement which is supported by reasoning, usually carries its own refutation. One needs not to look far to “locate the error” and point out the absurdity of Mr. Scott’s statement.

Loose though Mr. Scott’s terminology is, some of his expressions are sufficiently clear to exclude the interpretation of his “profit” coming out of wealth in existence, left there after Labor has been paid its full value. Such an interpretation would mean that if the amount—computed as a “fair return” on the capital invested, and low enough to crowd other capitalists out of the game—should happen to be smaller than the amount of wealth left in existence after Labor has been paid its full value, then the difference would be left untouched, unappropriated by the respective

capitalist; would be left as a sort of oblation, sacred on the sacrificial table to regale the nostrils of the God Capital. Such an interpretation is excluded by specific portions and by the spirit of Mr. Scott's theory. It would be a clumsy theory. Mr. Scott is defter than all that. Indeed, the gentleman's deftness is Jehovah-like. It makes Some-thing out of No-thing.

If, as Mr. S. states, it takes Labor its full workday to produce its own value; and THAT value, as Mr. S. states, is paid to Labor in full; and the profit, as Mr. S. states, is the "fair return" that the employer obtains from the purchaser by the employer's tacking said "fair return" to the cost of production;—if that is so, then the conclusion is unavoidable—

Either—the mental operation of estimating a "fair return," followed by the mathematical operation of adding that to the cost of production, is a wealth producer;

Or—profit is an idea, a thought, a metaphysical abstraction, and not a thing tangible, a thing subject to feeling as to sight; and that, upon this thing of air, the capitalist lives and grows fat.

According to one's taste he may take his choice of absurdity, dished up by Mr. Scott.

Fact is "Profit" is superlatively a tangible thing—measurable by the yard, or avoirdupois, or by the dry and liquid measures of quart, peck, bushel, gallon, etc.—a thing seizable with the hand, seeable with the physical eye.

After the workingman has performed his work, even when he has received the full exchange value of his commodity labor-power, there remains extant a volume of new wealth, new values. This new wealth, these new values, Socialism terms "Surplus Value." Socialism states that "Surplus Value" is that amount of wealth that Labor produces over and above its own exchange-value; Socialism states that the capacity so to produce a volume of wealth in excess of its own exchange-value is the specific quality of labor-power; finally, Socialism states that, under capitalism, the "Surplus Value," instead of remaining where it belongs, in the hands of Labor, is appropriated by the capitalist as "Profits." These statements Socialism substantiates with the reasoning that, seeing Idleness can produce nothing, wealth is the product of Labor, and that, seeing labor-power has the quality to produce

more wealth than its own value, the capitalist purchases labor-power for the sole purpose of enjoying the quality that is peculiar to that commodity. Profits, according to Socialist reasoning, is the excess of wealth yielded by Labor, and appropriated by the capitalist.

The regulation capitalist reasoning in the matter acknowledges that "Profit" is derived from wealth produced in shop, mill, etc., in other words, it acknowledges that "Profit" exists before sale, but seeks to justify the appropriation as "Profit" on a variety of pretexts—"wages of abstinence," "wages of superintendence," "wages of ability," etc. This theory is hard for the capitalist to defend. The effort to make out that the wealth that is transformed into "Profit" does not come from labor-power throws the capitalist into all manner of entanglements. Mr. Scott avoids the entanglement with a wizard's deftness. His theory implies that, not until the capitalist has figured out his "fair return," has tacked the same to the cost of production, and has received from the purchaser an amount of wealth equivalent to the cost of production plus the "fair return" added by him thereto,—that not until then does "Profit" arise. In other words, that "Profit" does not spring from things in existence, it springs from the capitalists Will—Some-Thing out of No-Thing.

Nursery tales have nothing to compare with that, nor do nurseries hold any credulous brains to compare with the brains of Mr. S.—if, indeed, the gentleman actually believes in his myth.

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