

**SOCIAL VALUE: A STUDY
IN ECONOMIC
THEORY, CRITICAL
AND CONSTRUCTIVE**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649205585

Social value: a study in economic theory, critical and constructive by B. M. Anderson

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B. M. ANDERSON

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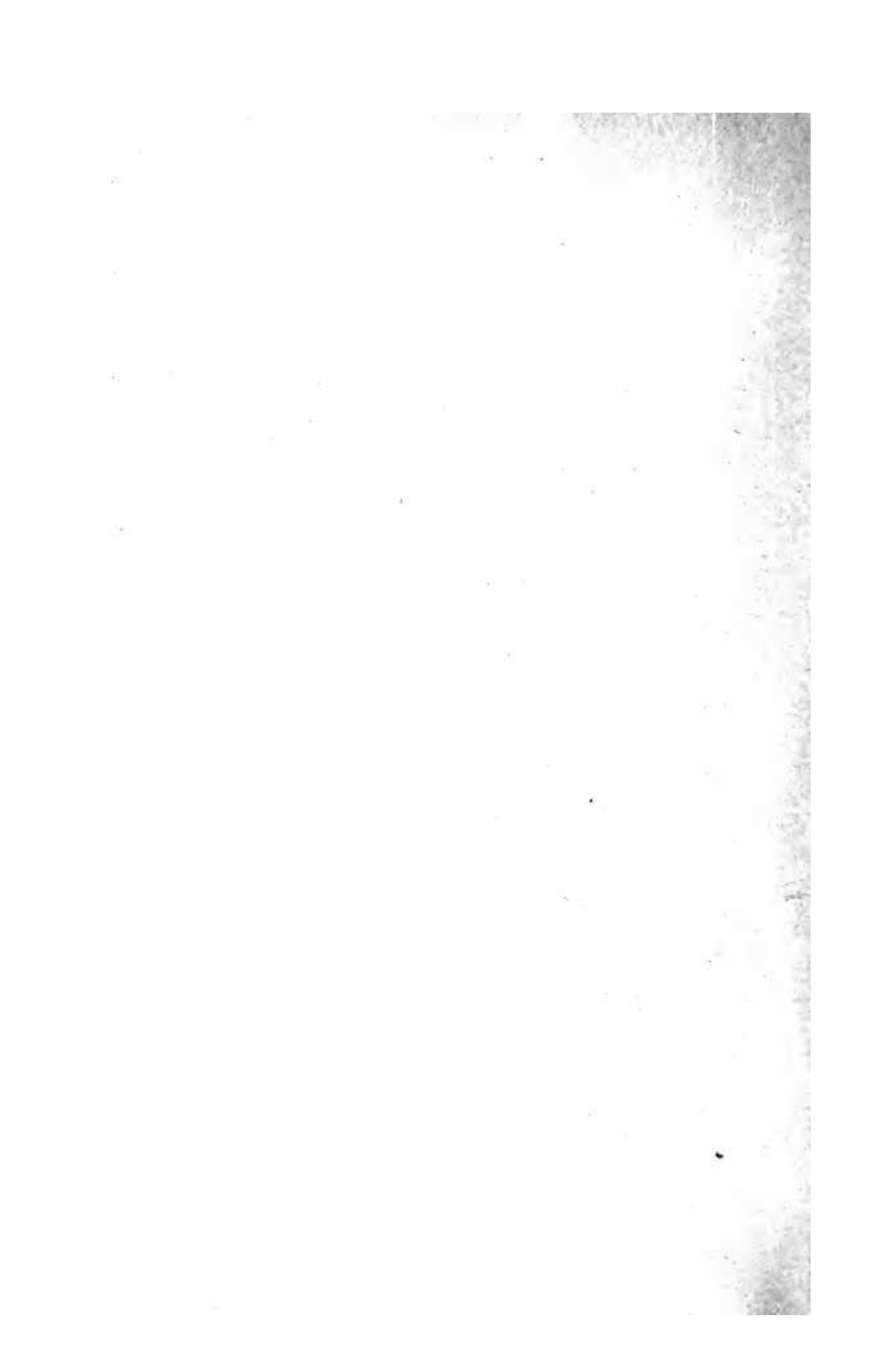
HOUGHTON MIFFLIN COMPANY
BOSTON AND NEW YORK

Hart, Schaffner & Marx Prize Essays

XI

SOCIAL VALUE

TO MY FATHER
BENJAMIN M. ANDERSON
OF COLUMBIA, MISSOURI
MY FIRST TEACHER OF
POLITICAL ECONOMY



PREFACE

THIS series of books owes its existence to the generosity of Messrs. Hart, Schaffner, and Marx of Chicago, who have shown a special interest in directing the attention of American youth to the study of economic and commercial subjects, and in encouraging the systematic investigation of the problems which vitally affect the business world of to-day. For this purpose they have delegated to the undersigned Committee the task of selecting topics, making all announcements, and awarding prizes annually for those who wish to compete.

In the year ending June 1, 1910, the following topics were assigned: —

1. The effect of labor unions on international trade.
2. The best means of raising the wages of the unskilled.
3. A comparison between the theory and the actual practice of protectionism in the United States.
4. A scheme for an ideal monetary system for the United States.
5. The true relation of the central government to trusts.

6. How much of J. S. Mill's economic system survives?
7. A central bank as a factor in a financial crisis.
8. Any other topic which has received the approval of the Committee.

A first prize of six hundred dollars, and a second prize of four hundred dollars, were offered for the best studies presented by class A, composed chiefly of graduates of American colleges.

The present volume was awarded the second prize.

PROFESSOR J. LAURENCE LAUGHLIN,
University of Chicago, Chairman.

PROFESSOR J. B. CLARK,
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PROFESSOR HENRY C. ADAMS,
University of Michigan.

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New York City.

PROFESSOR EDWIN F. GAY,
Harvard University.

A NOTE

THE following study is the outgrowth of investigations in the "Quantity Theory" of money, carried on in the seminar of Professor Jesse E. Pope, at the University of Missouri, during the term 1904-5. That a satisfactory general theory of value must underlie any adequate treatment of the problem of the value of money, and that there is little agreement among monetary theorists concerning the general theory of value, became very evident in the course of this investigation; and that the present writer's conception of value, as expressed in a paper written at that time on the "Quantity Theory," was not satisfactory, became painfully clear after Professor Pope's kindly but fundamental criticisms. The problem of value, laid aside for a time, forced itself upon me in the course of my teaching: my students seemed to understand the treatment of value in the text-books used quite clearly, but I could never convince myself that I understood it, and the conviction grew upon me that the value problem really remained unsolved. Hence the present book. It was begun in Dean Kinley's seminar, at the University of Illinois, in the term 1909-10. The first three parts, in substantially their present form, and an outline sketch of the germ idea of the fourth part, were submitted, in May of 1910, in the Hart, Schaffner & Marx