Daniel De Leon

Workers, Wages And Wall Street

Foreword

The following editorials were selected from hundreds that Daniel De Leon wrote on what may be loosely called questions of economics and sociology. At first glance it may seem that no close connection exists between them, not only because they were written over a period of nine years, but also because of the seemingly diverse subject matter suggested by their headings. They are, indeed, diverse. However, the careful reader will soon find that they are also connected in much the same way that seemingly unconnected events reported in the mass media today reflect the general condition of society.

The subjects are prosperity, property, wages and the stock market—diverse, yet clearly tied together.

Today, for example, we are told that the country is prosperous. At the same time, however, suggestive incongruities find their way into the public light—that the gap between rich and poor is growing wider; that wages are "stagnate"; that "prosperity" does not mean "job security"; that no matter how high the stock market might go there will always be a "natural rate of unemployment." At the same time we are told that there has been a "democratizing" of the stock market, and that many "small holders" are getting rich.

Here De Leon touches on all of these subjects in a way that not only draws them together, but also in a way that is uncannily modern despite their having been written between 90 and nearly 100 years ago.

ROBERT BILLS

November, 1997

'National Prosperity'

(*The People*, Jan. 17, 1896)

Sir Michael Hicks Beach's[1] first budget, about ready for publication, is heralded in advance by the British press as "a most encouraging document." Sir William Harcourt's[2] last budget, we are notified, "revealed great national prosperity," but Sir Michael's will surpass it, and long figures are already being trotted out in proof of the statement.

Alongside of this showing we learn from other documents that one out of every four persons passing in the streets of London dies either in prison, the almshouse or the insane asylum. In other words, one out of every four is driven by want or the fear of want into crime, dependence upon society or out of his senses.

Are these statements contradictory? Must one be false if the other be true? No. They are both correct; and thereby hangs the tale.

The terms "national wealth," "national prosperity" and the like must not be taken literally when uttered by the Hicks Beaches, the Harcourts or the property-holding classes in general. They mean it to be taken literally, but when driven to the wall they come out with the truth, to wit, the terms are used "technically." In the technical sense meant by these gentlemen, the masses, i.e., the working class, is no part of the nation any more than the dogs, cats, horses or cows of the nation are, and deserve no more and no less attention than these. By the "nation," accordingly, is meant only that frail minority that lives on the goods it steals from the workers. Coming down to hard pan, when these gentlemen speak of "national" prosperity they have in mind the prosperity of the plundering class. The mystery is thus solved; the seeming contradiction between "national prosperity" and "national

[1] Michael Hicks Beach (1837–1916), a British Conservative Party politician, was chancellor of the exchequer from 1895 until 1902.

[2] William Harcourt (1827–1904), a British Liberal Party politician, was chancellor of the exchequer in 1886 and 1892–1894.

misery" is removed. It is clear that for the "nation," to wit, the capitalist class, to be prosperous, the nation, to wit, the working class, must be at the ragged edge. The more prosperous are the former the nearer must the latter be to the ragged edge.

The songs sung by the capitalist class of all countries upon "national prosperity" has, to trained ears, the twang of a dirge. The louder these songs, all the clearer is it made to the real nation that an irrepressible social conflict is drawing to a head. That national institution that renders "national prosperity" synonymous with popular degradation, and that can increase only in the measure that it deepens popular misery, digs its own grave.

The capitalist showings of "national prosperity" are the funeral songs of capitalism—the only songs worth listening to from the repertory of this system.

The Delusion of Property

(*The People*, Jan. 21, 1900)

The era we live in requires a special definition for “property.” Time was when any material thing was “property.” That time is no more. Before material things can be dignified with the term of “property,” their quantity must now be ascertained.

Property affords freedom. If it does not, that thing is not property. A thousand dollars would seem to be “property”; yet today, he who has that amount only has not “property,” he holds the delusion of property. What he holds is not large enough to afford him freedom, inasmuch as it is not enough to enable him to compete successfully with the holder of a hundred times as much. Holding a thing that looks like property, but is none in that essential of bestowing freedom on its holder, such a holder imagines he does hold property and, accordingly, becomes on upholder of the capitalist system which is beating him down.

The deluding effect of little holdings, their effect of causing their holders to believe themselves the peers of all other property holders, and thereby enlisting them into pillars of capitalism—that has not passed unperceived by the large holders or capitalists. It has become a positive act of strategy among capitalists to spread property in such a manner that, while it never can be found in sufficient quantity in any one hand to become dangerous, it [can] be found in a sufficient number of hands to insure their effective support to the capitalist tyrant. The latest instance of this strategic move is furnished just now in the West.

The directors of the Great Northern voted to increase the capital stock of the company to the amount of $7.5 million and sell portions of the stock to employees of the road (under certain conditions), and the balance, the bulk, to present holders of stock.

The move is timely. The socialist, classconscious agitation that is being carried on among the workers is giving these eyes to see. They are finding out that they are an exploited class, having no common interests with their employers. From that they are taking a step further, moving towards the overthrow of the capitalist system. What is better calculated to again blur their vision than to render them subject to the delusion of property? Once holding stock, it is expected that these railroad men will not stop to consider that their stock is too trifling to give them a say in the administration of the company; they are expected to see simply the "property" that they hold, the profits or dividends that, in thin, consumptive rivulets, comes to them; and they will then not only work all the harder, submit to all the more vexations, but become all the more zealous upholders of capitalism, all the more furious foes of socialism. This is the expectation.

Will it so happen? That remains to be seen. Certain it is that no better test there is of the effectiveness of the socialist teachings, spread among the workers, than just this new move, this attempt to deceive the toilers with the notion of their being property holders, by putting little property into their hands. To the extent that the move succeeds, to that extent socialist teaching was defective, and will have to be intensified.

Let us labor, watch and wait!

Confiscation

(*Daily People*, May 10, 1901)

Wall Street witnessed last Wednesday with the sudden panic that fell upon it, a scene that will surely not go lost on many of the victims; the *Times* of the next day helped to accentuate the point.

The much vaunted social system of today is cornerstoned upon confiscation. The process of confiscation veiled in the shops and mills where it starts by the confiscation practiced by the capitalist class on the product of the working class, long passes imperceived. It takes close observation to detect it; it takes closer attention for the hurrying, scurrying masses to understand it. Periodically, however, the boil bursts at the top. Then confiscation stands out with barely a shred to cover it. Such is what happened last Wednesday.

For months stocks had been jumping up by leaps and bounds. The phenomenal volume of sales, so enormous as to cripple the capacity of the Exchange, was commented on by every owl in the land as a positive evidence of "unprecedented prosperity;" the Hannas[3] and others even went so far as to point to the sight as an evidence that "the future cannot be gauged by the past," prosperity had come to deluge the land

[3] Marcus A. Hanna (1837–1904), capitalist and a leading Republican politician, was a founder of the National Civic Federation (NCF) in 1900. He served as its president until his death in February 1904. As Republican national chairman he groomed and sponsored William McKinley for the presidency and directed the McKinley campaigns in l896 and 1900. The declared purpose of the NCF was to unite capital, labor and "the public" in an effort to maintain industrial peace. Among those representing capital in addition to Hanna, were Charles M. Schwab of U.S. Steel Corp., Cyrus H. McCormick of McCormick Harvesting Machines, Louis F. Swift and J. Ogden Armour of the Swift and Armour meatpacking companies respectively. Among those representing labor were Samuel Gompers, president of the American Federation of Labor, who became the NCF's vice president, and John Mitchell, head of the miners' union. Among the supposedly impartial representatives of "the public" were ex-president Grover Cleveland, who had used federal troops to break the 1894 Pullman strike, and Harvard University President Charles W. Eliot, who once declared that the scab was "a hero."

and to stay. Like a bolt from a clear sky the flunk came last Wednesday. Ruination and mourning now prevail where certainty of affluence had reigned but shortly before. And the area of devastation is increasing. What is it that happened?

When stocks are sold, they are sold by those who have them. The holders of stocks are the plutocracy, what the French call the "haute finance." The plutocracy starts the fever; it throws stock into the market and pushes up prices; the fever of speculation is thus carefully nursed; innocents hasten to buy expecting a rise, so as to sell again and "make" gains; the plutocracy keeps on raising the prices; that incites the gambling spirit among the innocents, who are attracted and are to be "operated" upon; seeing prices going up, these do not sell; they hold on for higher gains: so far from their selling, new innocents are attracted. After this game has gone on for a sufficient length of time, the plutocracy calls a halt. From bulls they turn bears. The innocents bought short. A slump in prices has the immediate effect of wiping out the innocents. All that they put in is lost to themselves, but is snugly laid away in the coffers of plutocracy. From the start, the whole performance had but this finale in view—the *confiscation* of the funds of a lot of people, whose property could not otherwise be gotten at. From that moment on, the plutocracy, having gathered by the process the money plunder it was after, proceeds with increased power, being in possession of increased sums, to establish new or bigger trusts, that find the now weakened smaller concerns all the easier prey to a confiscation of their plants.

Striking as the fact is in all its nakedness that *capitalism* spells *confiscation*, the *Times* helps to make the fact more striking still in a stupid attempt to conceal it. In the account of the Wall Street catastrophe the *Times* says:

"Many fortunes that had been made in the last six months by men who *never before had a dollar* were in some cases wholly wiped out."

Men without a dollar speculate! Men without a dollar pay the "antes" in Wall Street!

The desire of so perverse a capitalist sheet as the *Times*—a sheet that deliberately calumniates the class whom its owners fleece—to conceal the ugly, the tell-tale fact that *confiscation* is the cornerstone of capitalism, is certainly an emphasizing of the fact. But when the desire carries the *Times* so far as to utter so absurd a statement as that penniless men were the principal speculators, so as to make it appear that the victims lost nothing, then, assuredly, not the fact only, but the significance of confiscation, as a cardinal capitalist principle, becomes glaring.

Prosperity

(*Daily People*, Dec. 29, 1901)

The Christmas issue of the New York *Herald* contained among its "Situations Wanted" advertisements the following:

"Fireman, with starving family, wishes any position; want no wages; only warm meal; sell his skin and blood."

Inquiry at the address given brought out the following facts:

The applicant is an American citizen; served in the 201st N.Y. Volunteers in the late Spanish-American War, during which he was two months at the front in Cuba, and was finally honorably mustered out; he is sober, industrious and decent. With all this the man's family is starving; one child has already succumbed; he, with wife and three others, stands on the ragged edge, at the foot of which yawns the dark abyss, and from which his advertisement to the public sounds like the despairing cry of one about to be engulfed.

Today, when comfort for all is possible and involuntary poverty is no longer a visitation against which man stands impotent, one such case as that of this ex-soldier is enough to condemn the social system that can so mismanage its resources. But every intelligent man knows that this one case is not an exception, that it is a type of a numerous class. Capitalism—Hanna-led and Gompers-buttressed—has produced the miracle of industry in full run accompanied with extensive misery. Time was when the machinery of production was as yet so undeveloped that "prosperity"—that is to say, the full running of the industrial plants—was synonymous with "prosperity"—that is to say, the full occupation of labor. Never at such times did labor receive more than a pittance of its product; never at such time did labor work under other than the degrading condition of wage slavery. Despite that, however, labor being fully engaged, downright starvation was not possible. Today, the capitalist system has reached the point when workingmen are ready "to sell their skin and blood" and work simply for "food," notwithstanding the "prosperity" which consists in the full running of the plants. That in this particular instance the victim had fought for the country only aggravates the case; it does not take the case out of the class.

When the capitalist class was still young and inexperienced in the art of chicanery, it bluntly admitted the trail of human suffering that marked its track. In those early days it threw the blame upon providence, and set up the "Malthusian theory" to quiet its conscience. Today, a veteran in the art of chicanery, the capitalist class has changed its tactics, it brazenly denies that there is any such human suffering, it even goes so far as pretend that it is productive only of manifold blessings, with labor as the special blessingee. But the fraud is so periodically broken through that it is full of holes. One of these ghastly holes is made by that Christmas Day advertisement.

Wages—Share—Earnings

(*Daily People*, Feb. 7, 1902)

The claims of prosperity, persistently advanced, hand in hand with the cumulating evidences of misery, and hand in hand, furthermore, with mentions of "higher wages," are so evidently incongruous that one is inclined to ask, "Are these prosperity shouters brazen liars?" Inquiry discloses the fact that they are worse than that: they are not brazen; they are cowardly; and their cowardliness lies in the way they juggle with the three words "wages," "share" and "earnings."

Say, a man received one year $1 a day, and later he received $2 a day. Up goes the shout: "wages have increased," "prosperity!" Not necessarily. At the time of the $1 wages the worker may have had steady work, and received the $1 wages 300 days in the year: that would have been an earning of $300 a year; per contra, at the time of the $2 wages, work may have been so unsteady that he worked only 100 days, and his earnings would then be only $200, or $100 less than before. Wages may go up; it does not follow that earnings go up too. In fact "wages" may go up, and "earnings" go down.

Similarly as to the "share of labor." At a time when the product of the worker is worth $2 a day, if his wages are $1, his share is 50 percent of his product. But if, as happens through perfected machinery, the product of that same worker grows to be worth $10 a day, then even if his wages have risen to $2 a day his share has declined: his present share would be only 20 percent of the product of his labor. In other words, "wages" may rise and yet the "share" of labor may tumble.

Combining these two principles it follows that the worker, who received $1 wages at a time when the product of his labor was worth $2 a day and when he had steady work 300 days in the year, might be infinitely worse off at a later period even if he received $2 wages a day, if at such later period the value of his product had increased five times and the unsteadiness of work left him only 100 workdays. In the former case his "wages" would be $1 but his "share" would be one-half of his product, and his earnings $300; while in the latter instance, despite higher wages ($2 a day), he would be keeping only one-fifth of his product, and his earnings would have shrunk to $200.

The fact that "wages" may rise and yet the "share" of labor decline, and the worker's "earnings" shrink would be sufficient to explain the increasing volume of popular misery, and to nail the word juggling that is going on with the words "wages," "share" and "earnings." But the jugglery goes further. The extent to which it goes can be measured by the increasing extent of misery. It remains to point out the system of the jugglery.

The expression "wages have risen" implies that good wages were being received before. This implication is a suggestion of a double falsehood: In most cases of a real "rise" in wages the "rise" consists either in employing men who had been thrown out of work, or in an increase above some previous cruel reduction, the "rise" leaving the "wages" below what they had been and, accordingly, going hand in hand with still greater reductions of the "share" of labor, and with still greater shrinkage in earnings. In view of the fact that, in not a few instances, the alleged "rise" in wages is a pure fabrication, and in view of the further fact that, here and there, in isolated and exceptional instances, an actual rise has taken place and the news thereof is inflated out of all proportion with the facts, it follows that the present "prosperity" songs backed up by talks of higher "wages," larger "share" and increased "earnings," all jumbled together, is nothing but a game of Japanese jugglery, that the capitalist pulpiteers, professors, press and politicians are seeking to humbug the people with.

Fortunately, the stomach, though a patient sufferer, has limits to its patience, and peremptory ways withal to notify the head.

And This Is a Professor

(*Daily People*, May 3, 1902)

Prof. E.S. Meade of the University of Pennsylvania is just now the best quoted professor. He is in great demand by the trust powers. The trust powers need a man who, with the air of science backed by the jingle of figures, can make it appear that the trust is an impossibility; at least, that it is a possibility that cannot last; one of those things, one of those evils that may rise, but that break their own backs. If the trust will break its own back, why bother about legislation against it? It can be left alone—and that is just what the trust is after: to be let alone. Prof. Meade is, accordingly, the man for the trusts.

But while Prof. Meade may be satisfying the trust, he is not satisfying the intelligent followers of his reasoning. Among the stupidities that he has just uttered is this:

"To my mind this is the real trust question—will the shares of the industrials take their place among the safe investments of the country? If this question can be answered in the affirmative, the specter of monopoly will be laid. Every man with $100 can become a partner of monopoly."[4]

This sort of talk is antediluvian. It belongs to the stone age of economics. The idea that a man with a $100 can become "a partner in monopoly" implies ignorance of what monopoly means, in other words, of what capitalism means.

Capital is not any and all amount of wealth. Capital is that amount

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4 This argument was revived in the 1950s and 1960s with the New York Stock Exchange's propaganda line on "people's capitalism." The phrase in vogue today is "democratizing the market," but it comes to the same thing. Workers and other low-income people taken in by it may make a bit while stock market prices climb, that is, if they happened to buy stocks that participated in the climbing. Now, with stock prices rising again, some small investors are nibbling again. However, even when they can invest in stocks, directly or through mutual funds and other means, their interest is infinitesimal and their "partnership" with the real capitalists as unreal as De Leon showed it to be.

of wealth that is large enough to render competition hard, if at all possible, to the man with smaller amount, and that compels the workingman to submit to be fleeced by it. The man with $100 may buy one share in a monopoly, but what good does that do him? He cannot live off the proceeds of that, the $5 or $6 or $7 a year that his share will yield; while on the other hand, his $100 falls wholly under control of the large holders, who, operating that amount together with many others, are thereby all the better able to crack the whip of wage slavery over the $100 share-holding workingmen. As well say that the wage earner in such a monopolistic concern is a partner therein because he invests his own hide by selling it as a wage slave.

The specter of monopoly or capitalism can never be laid for the simple reason that monopoly is no specter but a tangible monster. No incantations can depose of the monster. It must be lassoed. And the lassoing can be done only by the classconscious workingman who, organized under the banner of the Socialist Labor Party, marches to the capture of the public powers, for the purpose of nationalizing[5] the monster. Once nationalized the monster will be a docile handmaid to man. It will have been stripped of its fangs and claws, its monopolistic character, and as public property will, instead of producing social nuisances as today, be a source of comfort to all. Nor would the elimination of the reasons that prostitute the now Prof. Meades be the least of the blessings derived from the change.

[5] In 1902, when this editorial was written, De Leon had not yet developed the concept of industrial government. He was therefore still handicapped by the jargon of a period that conceived of socialism as coming through "nationalization" of industry. By 1904, De Leon's thinking had advanced to the point where he could project the structural form of socialist administration as industrial instead of political or geographic, and the concept of "nationalization" was also dropped. That is, instead of the Socialist Labor Party capturing the public powers and "nationalizing" the industries, the SLP would dismantle political institutions and, after turning the reins of government over to the Socialist Industrial Union, disband. Simultaneously, the industrially organized workers would take possession of the industries, socialize them and administer them through democratic industrial union councils.

Real Prosperity: January Dividends

(*Daily People*, Dec. 29, 1902)

When the future historian studies modern times he will be puzzled, if he is a conscientious man, to know why it is called "The Era of Prosperity." If he is an American and will look abroad he will find that this era is marked by wars for territorial and commercial expansion in which many nations, including his own, are engaged. He will also find a prevalence of industrial crises, in which millions of men and women suffer acute distress. If he will look at home he will find that the wages of workingmen are declining, while the value of their product and the cost of living steadily advance. He will find, in addition, an increasing employment of the weak and defenseless—of women and children—and note a growth in the number of suicides, together with an intensification of labor. He will also observe a fiercely raging conflict between trusts and retailers, resulting disastrously to the latter. He will be conscious of impending disaster of "a business readjustment," in the utterances of the "captains of industry" and he will wonder, amid the reports of holiday dinners to thousands of "the poor and unfortunate" where the much-vaunted prosperity is! He will be inclined to cry out, "If the carnage of war, the distress of crises and the material decline of the working and middle classes constitute prosperity, what then can adversity have been like in this strange era?"

Is there no prosperity at all, in this "Era of Prosperity," then? Is there no real, substantial addition or improvement to material conditions? No new railroads and capital for industry? No new and palatial homes, typifying a renaissance in American architecture, sculpture and art, not to mention domestic ease and comfort? No new wonderful cities with undreamt of beauties and advantages? No new munificence in social, philanthropic and industrial circles to replace the niggardliness of the old? No new increments of wealth unheard of before?

There can be no doubt that there has been a real, substantial increase in prosperity, but the question is, *whose* prosperity? Do these new railroads and capital for industry belong to the class whose wages are declining, whose product, value and cost of living are advancing? Do these palatial homes, with their exquisite art, belong to the out-of-work suicides and the workingmen whose labor is so intensified as to increase the death rate alarmingly? Do these weak and defenseless women and children own the wonderful cities? Is the social, philanthropic and industrial munificence referred to, theirs? Or do their husbands, sons and brothers reap the new increments of wealth? To ask these questions is to answer them: No! A thousand times no!

Whose, then, is this prosperity? Whose, then, is the real, substantial addition and improvement in material conditions? A clue to the answer may be found in the reports of the newspapers of Sunday, Dec. 28, 1902. According to these reports, "New York banks were engaged yesterday arranging the heaviest January disbursements ever financed in this country. It is claimed that more than $150 million will be paid in dividends.

When it is known and understood that these immense dividends are to be paid to a class numbering about 2 percent of the population—called the capitalist class—who own the stocks and bonds of the great industrial and financial institutions of this country; it will then be clear whose this "Era of Prosperity" is. It will then be understood that this is an era of capitalist prosperity! Theirs are the magnificence and luxury of which this great age boasts. Theirs are the new capital and new wealth increments, the palatial homes, the arts and the wonderful cities. And it will all be theirs as long as the exploitation of the working class prevails and socialism is unknown.

On to socialism!

Wall Street Preachers of Socialism

(*Daily People*, July 17, 1903)

It is calculated that "not less then $20 million were lost" during the last two days of the stock slump in Wall Street, and that "many more millions are being lost right along." Where is it all gone to?

It was not a fire, that sends wealth up in smoke. It was not an earthquake, that sends wealth down into the bowels of the earth. The wealth lost in Wall Street was not destroyed. Though lost to someone, it is not lost to the world. Moreover, it is not lying loose on the street, like a pocketbook, or watch that has been lost. The lost millions were lost and found. They were lost to some; who found, or pocketed or gained these losses? There is the rub, and the only point of real interest about it.

It is said with a good color of truth that the leading combatants are Morgan[6] and Rockefeller;[7] and it is also said that both have "bled" profusely. Say that they have bled equally, and suppose the extreme case that all the lost 20 millions were lost by them. Imagine even that, driven by a complex sense of capitalism (mere greed) and feudalism (mere personal hatred), these two feudo-capitalist princes were to repeat today what occasionally befell during the days of feudal feuds, and actually ruin each other. Immediately the cry would go up from certain owl quarters: "Lo, socialist theory destroyed; see how insecure the capitalist is; see how wealth changes hands!" Not unlikely the cry will go up without awaiting the extreme of these two gentlemen's actual ruination; indeed it is cropping up now.

Fact is that the incident is actually confirming socialism at every point.

For one thing, Socialists do not tire of proving that there is no

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[6] John Pierpont Morgan (1837–1913), American banker and finance capitalist with extensive holdings in the railroad and steel industries.

[7] John Davison Rockefeller (1839–1937), American capitalist instrumental in organizing the Standard OilCompany.

security for anyone under capitalism. Not even for the big capitalist himself. The day has not yet come when the world's industries are concentrated under one hat. The process that tends in that direction is one that slaughters capitalists right and left. And when that day of absolute concentration should have come, it would but sound the death knell of the survivor or his clique: private hands cannot guide international production. And there goes the first part of the alleged demolition of socialist theory.

For another thing, no Socialist denies that, under capitalism, wealth "changes hands." The argument just preceding shows that it does and must. What Socialists maintain, however, is that in this "changing of hands" no hands, outside of capitalist hands, take a hand. In other words capital remains in the capitalist class. The 20 millions, said to have been "lost," have been lost to individual capitalists, but not a penny thereof, not the slightest spray fell into the hands of the working class.

The battles of capitalism are fought over the heads of the workingmen. It is so in Wall Street; it is so at the hustings where capitalist issues clash. Under capitalism, individual capitalists may rise or go down, the capitalist class only rises, the working class is left out in the cold. And proof of this is being furnished by Wall Street now.

Wealth Diffusion Through Stocks

(*Daily People*, Feb. 22, 1904)

There is a theory afloat which asserts that though wealth is concentrated in corporations its ownership is diffused by means of the stocks of these corporations, which are purchased by small holders. This theory is traveling a very rocky road at the present time, much to the discomfiture of its already badly shattered health. A financial newspaper arises to ask, "Who holds the stocks?" and in answering the question, it reverses the theory.

This newspaper begins by tracing the change in the distribution of holdings since last spring and summer, and it finds that more than $200 million in securities have been absorbed by trust companies and national banks. As is well known, the financial institutions of this country are owned and controlled by "the high financiers," the ultracapitalists of the country, i.e., the Rockefellers, Morgans, etc., who use them to finance industrial enterprises and thereby secure industrial supremacy. In other words, this financial newspaper makes clear that, instead of promoting the diffusion of wealth, stockholding facilitates its absorption and concentration. A will-o'-the-wisp which beckons the middle class to fortunes which always elude them, and an imposition to which the working class must often submit, as in the cases of the steel trust, small stockholding becomes a means by which the smaller particles of wealth are forced to coalesce with the larger under capitalist ownership and control.

The basic principle and mechanism of capitalism are such, viz., the exploitation of an ever larger scale of the social means of production and distribution by private ownership, that wealth diffusion is not only antagonistic to its existence, but impossible of attainment. All things flow to concentrated capitalism by virtue of its needs and its conditions. Only under socialism, where every man will receive what he produces, instead of giving up the major part of it to the high financier, will wealth diffusion truly exist!

‘The Time to Buy’

(*Daily People*, Nov. 1, 1907)

In the midst of the general distress the panic has plunged the country in, there is one jubilant note that rises above the groans of the ruined, the murmurs of the fearful, and the death rattle of the suicides. That note is: “This is the time to buy!” It proceeds from the thinned ranks of the plutocracy, or upper capitalist class.

It is one of the imbecilities of antisocialism pamphleteers to declare “we can all be capitalists.” He who says “capitalist,” must imply all the term implies. For there to be one capitalist there must be hundreds of wage slaves. “Wage slave” and “capitalist ” are obverse and reverse of the same medal, “the capitalist social system.” To suppose everybody to be a “capitalist ” is to suppose everybody to be skinner and skinned at once—an absurdity. Capitalism implies the supply of a helpless mass of labor sheep for the capitalist to fleece. Capitalism, accordingly, is reared upon human suffering. Marx’s chapter upon colonies, and the authorities to which he refers, makes the point clear that capitalism needs, for its thriving, a large and ever larger quantity of human helplessness. With such a foundation and source, it would be nothing short of a miracle were the acts of the capitalist at any of his economic turns to be guided by any principle other than “others’ woes are my opportunity.” Such an “opportunity” panics offer. The regulation course of capitalism is to confiscate the wealth produced by labor. That course is fruitful of much wealth in capitalist pockets, only the increase goes by slow accretions. Panics offer the capitalist the opportunity to confiscate big lumps at once. It is his opportunity to confiscate the confiscations of the fry smaller than himself. Their distress reduces the prices that they must sell for. Panics, accordingly, are “the times to buy.”

The confiscation of labor’s product is called in capitalist slang “making profits.”

The confiscation of those portions of labor’s product, that have been previously confiscated by smaller capitalists—that, in capitalist slang, is “buying” at “the time to buy.”

Little wonder the upper capitalists feel jubilant, and that their jubilant note resounds lustily above the prevailing note of sorrow.

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