The People.

VOL. III, NO. 9. NEW YORK, SUNDAY, MAY 28, 1893. PRICE 3 CENTS.

SECOND EDITORIAL

AND YET AGAIN, MONEY.

By DANIEL DE LEON

"OF course it is clear in the abstract that only debtors are injured if contraction has no other effect than a general lowering of prices. But who are the debtors? The great debts of the National and local Governments must be paid by the labor of all the people. Every citizen is consequently a debtor, and is personally interested in securing a greater volume of currency."

This comes in answer, from an esteemed Southern contemporary, to an article "Money, Once More" in our issue of the 7th instant. The subject of money has been very fully and frequently dealt with in these columns, directly and indirectly; nevertheless, the progressive course of the correspondent from whom this criticism proceeds entitles the matter to consideration from the side therein presented.

The financial question is to the laws of wages and profits what spheric trigonometry is to plain geometry. The moment a dispute were to arise on spheric trigonometry, the disputants are bound to go back to and start from plain geometry, and then, from conclusion to conclusion, reach the point at issue. So likewise, in order to be at once in the question of finance, we must start from the bottom with the law of wages and profits.

Labor alone produces all wealth; idleness can not be a source of wealth; nevertheless, owing to the possession of the machinery of production—land and capital—the idle, i.e., capitalist class, is found in possession of the bulk of the nation's wealth; the nation's wealth, after it has leaped from the hands of the toiling class, is divided into two parts; one part comprises about one-quarter thereof—that is returned to the working class and is called "wages"; the other part comprises about three-quarters thereof —that is taken by the capitalist class and is called "profits"; these quantities, "wages" and "profits", are not arbitrary; "profits" are the residue of the product of labor after its "wages" have been paid; these wages depend, speaking scientifically, upon the exchange value of the labor power of the working class, speaking popularly, upon the smallest amount on which the working class can subsist and procreate; when the capitalist class agrees to pay the working class, say $1 a day, the term "One Dollar" is elliptic; it is a short way of saying: "You working class need a certain quantity of tough meat, sanded sugar, watered molasses, shoddy clothing, housing (rent), etc., in order to restore the tissues you have consumed in production and bring forth some more human beings, stripped like yourselves of all things except their labor power, who shall in the course of time, when you are dead, take your place and go on producing 'profits' for us"; if these various items, necessary for the restoration of tissues and procreation of the working class, should aggregate a value, which expressed in money, is $2, then "wages" will be $2; if they should aggregate a value, which expressed in money is 50 cts., then "wages" will be 50 cts. The deductions from these facts are:

1. Whatever the nominal wage, wages expressed in money, of the working class, their actual wage, under normal conditions, does not change; it remains at the quantity of things they need to live and procreate.

2. If, through any cause, the aggregate price of these necessities should rise, the nominal wage will go up, but the working class can purchase no more than before; if, through any cause, the aggregate price of these necessities should decline, the working class will not have the difference in prices to lay by, but their nominal wage will go down in proportion.

3. If, at a given time, $1 can purchase the necessities of the working class, and, at another, $1 can purchase twice the amount of those necessities, the working class will then receive only half a dollar; if at another time $1 can purchase only half the amount of those necessities, the working class must then receive $2.

4. Labor being the sole producer of all wealth, it is Labor that must foot all bills, satisfy all debts, pay the piper. But this notwithstanding, seeing that under the capitalist system of production the working class is held down to the minimum of its necessities, and must get these, everything over and above these necessities being sponged up by the capitalist class, it follows that nothing that affects the exchange value, or, to speak popularly, the price of the necessities of the working class, affects their actual wages, as

such. Contraction and expansion of money, like taxation, leave wages, as such, untouched.

5. Taxation, contraction or expansion of money, all such “burdens” thrown upon the “people,” must come out of the “profits” of the property-holding class; all such things affect the distribution of the plunder, i.e., of the “profits.”

6. As the lowest layers of water cannot be compressed any more than they are, and all additional pressure must be borne by the higher and less pressed layers, so the normal wages of the working class cannot be squeezed; all further burdens must be borne by the classes above.

7. The working class has no interest whatever in securing a larger volume of money; the National and other debts are paid out of the fleecings of their labor; it is immaterial to the working people whether Dick, Harry or Jones gets these fleecings, or what the share of each is—they, the working class, are fleeced anyhow, cheap or dear money, plenty or scarce money, monometallism or bimetallism, or greenbackism, free-trade or protection. And so forth.

Consequently, every citizen is not a “debtor” under the capitalist system, except figuratively speaking. Economically speaking, those only are debtors who own property, upon which to predicate a debt, or upon which to levy execution. The only property of the working class is their labor power, and that cannot be foreclosed or levied upon without bringing the whole capitalist system down with a crash.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.
Uploaded August 2002