

# **Capitalism versus Socialism**

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*De Leon-Berry Debate*

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ON

Solution of the Trust Problem

*Held before the University Extension Society, Philadelphia, January 27, 1913.*

BETWEEN

*Daniel De Leon, Late Editor of The People*

*and*

*William H. Berry, Ex-State Treasurer of Penna.*

## INTRODUCTION

Daniel De Leon's opening argument in his debate with William H. Berry provides us with a classical enunciation of the Marxian *law of value*. For those unfamiliar with the "law" that De Leon rightly described as "the social dynamo that is causing the upheaval throughout the civilized world," reading De Leon's vivid and elementary presentation can be an educational experience of first-magnitude importance. For others it is a refreshing restatement that illustrates once again the beauty, logic and power of Socialist argument.

We do not know if De Leon used notes. If he did not he nevertheless came prepared for a tightly knit, coherent presentation of the real Socialist—i.e., Marxist—position on the "trusts," which is to say, on the concentration of capital into large and efficient instruments of capitalist production. As the reader will soon discover, the real Socialist position, as opposed to that of the "radical" reformer, was and is not to "bust the trusts" but to take them over, eliminate their capitalist character, and make them the social property of all the people.

For the rest it is unnecessary to add anything to Arnold Petersen's preface to the 1938 edition.

ERIC HASS

New York, N.Y., December 29, 1962.

## PREFACE

This is in reality the stenographic report of a debate between Daniel De Leon, late Editor of the *Daily and Weekly People*, official organ of the Socialist Labor Party, and William H. Berry, ex-State Treasurer of Pennsylvania. The debate was held in Philadelphia before the University Extension Society on January 27, 1913. De Leon was so clearly the master of the situation that Mr. Berry was quickly reduced to the role of a mere “super” on the stage. In no proper sense, then, was this a debate.

Ostensibly the debate was to be on the “trust problem,” but it soon turned into a discussion on capitalism versus socialism, as was inevitable under the circumstances. The “trust problem” is but one of the many manifestations of a social order which is seriously out of joint, and since none of the manifestations or social phenomena resulting from capitalism can be understood without understanding the economic laws underlying the system of capitalism, particularly the law of value, the “debate” soon resolved itself into a dissertation on value, supply and demand, and corollaries, with De Leon as the expositor, and Mr. Berry as a mere chorus.” And although Mr. Berry made feeble attempts at meeting De Leon’s skillful thrusts, he soon “dashed his head against the law of value,” to use De Leon’s expression. For the reasons indicated in the foregoing, this new and fourth edition of this pamphlet has, therefore, been given the title “Capitalism versus Socialism.” It is felt that this title is more appropriate and in keeping with the real subject discussed at the “debate.”

In the twenty-five years that have passed since this “debate” took place, capitalist society has undergone momentous changes. The tendencies to which De Leon called attention are now increased a thousandfold, capitalism being in the final stages of dissolution with absolutism (fascism or industrial feudalism) looming up as the inevitable next step, unless the working class organizes to establish Socialism, or the Industrial Republic of free and affluent labor. Indeed, the very fate of civilization depends upon the action taken by the working class within the very near future.

ARNOLD PETERSEN

New York, N.Y., March 1, 1938.

## CHAIRMAN'S ADDRESS. STEWART WOOD.

The University Extension has adopted this year the practice of having debates on subjects of political and public interest, something a little different from the lectures of former years, and tonight presents to you in juxtaposition two subjects, both of which are certainly live topics, those of Socialism and the trust problem.

I can remember nearly forty years ago, when I was a young man in Berlin, visiting some of the "revolutionists of the chair," as they called the professorial Socialists of that time, and one of them saying to me, "You will be having Socialism in America soon." I was a little disposed to scoff at it. At that time Socialism, as it was understood in Europe, was a thing practically unknown here. We did have a gentle kind of Socialists, who in a way were very logical. They formed little communities of their own, where they withdrew quietly from the world to lead their gentle lives according to their own theories. Such were the followers of Robert Owen, the Shaker Settlement, the Brook Farm, and so on. Those examples will always prove and remain classical examples, both of some of the fine points in human nature to which Socialism does make an appeal, and also of the practical difficulties which exist in human nature for making it a success, and for which the Socialists will have to find some remedy if their views are to prevail.

We have with us tonight a Socialist of a very different type from those I spoke of as having existed in early days in America. He does not come to you with a torch or with dynamite, but he does come bearing radical views of philosophic Socialism. I take pleasure in introducing to you Mr. De Leon, of New York.

## DIRECT PRESENTATION. DANIEL DE LEON.

Ladies and Gentlemen:—

The subject I was invited to discuss here tonight was the solution of the trust problem, and as I am known to be a Socialist I realized that I was invited to present the socialist position, which is the socialist solution. I am not forgetful of the fact that I am speaking here under the auspices of the University Extension, and that my audience may be supposed to have enjoyed the advantages of college training. We who have gone through college are aware that words cannot be understood unless we go to their roots. It is with words and terms as with a ship. The ship is anchored, but according to the streams and the winds it may drift to the north or to the south of its anchorage, to the east or to the west. By following the anchor we ascertain where that ship is anchored. It is so with terms, especially with so-called technical terms.

The word “trust” is a technical term. It has a surface manifestation. It cannot be approached, it cannot be understood, let alone the solution therefor presented, unless we trace that word down to the anchor which the term is fastened to. I shall therefore invite your attention to an argument. I do not come with rhetoric. I do not come with oratory. The times are serious, very serious, and it is thought that is going to help us out. The anchor on which the trust question is fastened is that law of political economy known as the law of value. I wish right here to say that that law has been fought by all the elements of modern capitalist society, and they have dashed their heads against it. But at such critical moments as the Bryan campaign of 1896 it was to that law that they had to cling for refuge, and it was a page from Socialist literature that furnished the excellent speeches with which to overthrow the Bryanistic absurdity of free coinage of silver regardless of international trade.

What, then, is that law? I see no blackboard here, and I shall have to make my illustration short. It must appeal to your memory. The law of value establishes that merchandise has a value according to the amount of

labor power crystallized in it and socially necessary for its reproduction. That is inhesive, and yet much depends upon the correct understanding of that position, because that law is the social dynamo that is causing the upheaval throughout the civilized world. To understand that law, I shall give you an illustration.

Take yourselves back some hundred years when this country began its independent career. Imagine a person weaving cloth here. She wove cloth with an old-style loom, that is to say, old-style compared with what we have today, a loom that they then had. You want to suppose that the person wove one yard of cloth a week. That was doing pretty well. The labor socially necessary to produce that yard of cloth was one week's labor, and that week's labor crystallized in that yard of cloth rendered the yard exchangeable with any other commodity that required an equal amount of socially necessary labor. You want to suppose that it took just one week to produce ten bushels of potatoes. You see the subject is a commonplace one, and it is well for you to realize the beauty of these commonplace facts. Then it follows from the law of value, that one yard of cloth was the equivalent of ten bushels of potatoes in the market, and that one yard exchanged for those ten bushels, and vice versa.

But the progress of machinery presently enabled someone to produce two yards of cloth during one week. The consequence was that the exchange-value of the cloth was no longer one week's labor but half a week's labor, or one yard of cloth was equal no longer to ten bushels of potatoes but was equal to five bushels. The exchange-value being determined by the socially necessary amount of labor crystallized in the production of those commodities, rendered lower the value of the cloth; and the producer of the cloth, who before exchanged that one yard for ten bushels of potatoes, was compelled, if he wanted to have potatoes, to exchange his yard no longer for ten bushels but for five, because no longer was the whole week socially necessary to produce it. Someone else was producing cloth in half the time.

To make a long story short, as the machine or the tool of production improved, the time came when during that week no longer one yard of cloth, no longer two yards of cloth, but 1,000 yards of cloth were produced. The time necessary to produce potatoes not having changed,—and if it had it would come down to the same thing,—the time necessary to produce 1,000

yards of cloth having been one week, it follows that 1,000 yards of cloth are equal in value to the ten bushels of potatoes, so that he (or she) who was producing with the old-style loom and could only bring forth one yard during that week, had to limit himself to the one one-thousandth part of one bushel a week, in other words, had either to starve or throw the loom on the scrap heap and go out and sell himself as a wage slave. That is the law of value. As I said before, capitalism and its professors have been trying to overthrow it, and wise they are to try to overthrow it, because that is the central point that, once understood, all chimeras drop; that, once understood, all halfway measures are appreciated at their real value.

Under the social pot from which issues the trust there is this law, and all of you who have understood the comparison I have just made will be able to follow me when I come to that improved method of production which is known as the trust today.

The trust must be stripped of all its accidental circumstances, such things as watered stock, such things as agreements between gentlemen or non-gentlemen, such things as chicanery and bribery of politicians. These are poultices that help the thing along, but they are not characteristics of the thing. To understand the thing we must eliminate all these, and what we then see in the trust is a contrivance of production which carries out that evolution I mentioned before with regard to the loom, and carries it to a state of perfection that we may almost consider final. The trust is that device, that tool of production, which, incited by the law of value, enables production to be carried on more and more plentifully, with less and less waste. The trust, accordingly, is essentially a contrivance of production, a tool of production.

How is that problem going to be met? Just as soon as that remarkable tool presents itself, that gigantic tool that enables production to be carried on with so much swiftness, with so little waste, just as soon as that tool presents itself on earth a new issue also presents itself on earth, or rather is seen. The question of the history of the tool is civilization turned out. The tool of production is the yardstick by which to measure the advance of man from the earliest savagery to his present condition. The human being is the only one that is born toolless, and therefore helpless. Every other animal is born with implements it needs to grub its existence out of nature. The meanest spider has all it needs. The smallest rat has all it needs. The eagle has his beak,



the tiger and lion their fangs and claws, the beaver that remarkable tail of his.

Go through the whole gamut of animals and you will find that each one of them is born supplied with the tool that it needs. Man alone is born toolless, and at that stage of his existence he is the most helpless of all animals. He is the sport of nature. Nature has her foot upon his neck, makes him her toy, afflicts him with drought one day and drowns him with flood the next, one day blesses him with abundance and the next afflicts him with dearth. No animal goes through that experience. Man does, and he rises from that by slow degrees in the measure that he fashions the tools with which to fight nature. With his bare fingers at first he has to eke out his existence. Presently he places his hands upon the tool, and with the tool, perfecting it by little and little, he reaches that point which is the point that civilization has advanced to, the point when wealth can be produced so abundantly and with so little toil that all the citizens can enjoy the leisure with healthy exercise which only affluence can afford. That being the case, that the tool is the weapon for human freedom and the perfection of the tool is the symbol of the capability of the human race for freedom, it cannot be denied that the element of society which today has no tool of production is no better off than our barbarian and savage ancestors 25,000 years ago.

The working class today is toolless. Their tool is owned by the class that has appropriated it, by historic methods that I shall not here go into. At any rate, the history of the tool establishes this principle, that the tool is the means for human emancipation from the thrall of nature, and he who owns that tool is a free man. He who does not is a slave, originally of nature and now of the class that does own it. When we see and weigh that position, then we are enabled to approach the subject of the solution of the trust. We have here a giant that is instinct with good, and yet, seeing that it raises such a rumpus, it evidently does harm. How is that problem to be solved?

Right here a number of propositions present themselves. I shall take up only those that recognize the significance of the tool, that is, those propositions that somehow or another stand planted upon the law of value. One proposition we will call the proposition of love and affection and habits of thought. It sees the trust redounding to the benefit of the few. It sees the millionaire heiresses multiplying and purchasing nobility for their husbands,

while the masses of the people are in deplorable and increasingly deplorable slavery. That element sees that the political government is helpful to the trust. That element says, "Smash the trust." It says, "Let us return politics to the people." Those who propose that solution do not understand the meaning of a tool. If the trust were to be smashed it would mean sending us back to that stage where the abundance of wealth was not producible without excessive toil, where the abundance of wealth was not possible in quantities large enough to afford well-being to all. Those who propose to smash the trust recognize the power of the tool, but do not understand its mission. To those we say, the trust cannot be smashed because all the powers of civilization are making toward promoting the operation of trusts. We say, even if the trust could be smashed we should not smash it, because by smashing it we would throw civilization back.

Another proposition is this, control the trusts. This element recognizes that the trust is valuable, but it says, "It does do some mischief. Let us legislate around it." Twenty years ago when that proposition was first presented, we Socialists showed that it was impracticable. Today no one should deny the impracticability thereof. To control a trust is like controlling a tiger. To control a trust is to make believe, because the practical result of all attempts to control the trust has been to have those laws broken. Attempts to control the trust resemble an attempt to hold back a fiery horse by the tail, with the only result that the laws that are passed to control the horse are kicked to splinters, and the splinters serve no other purpose than as pastry for corporation lawyers to grow fat upon.

Now comes the third proposition. That comes from those who realize that the trust must not be destroyed. It comes from those who realize that the trust cannot be controlled. They propose to nationalize the trust, and that is the scheme that has the abnormal name of State Socialism.<sup>1</sup> The trust problem throws its light upon this development, that today has reached that

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<sup>1</sup> "State Socialism" is an "abnormal name" because "State" and "Socialism" are mutually repellent terms. The political State is a government based on territory. it arose with the growth of property and the division of society into ruled and ruling classes and, historically, has served ruling classes as an engine of oppression. Marx said, "the existence of the State is inseparable from the existence of slavery." With the victory of Socialism and the abolition of class rule the political State based on territorial constituencies will be replaced by a government based on industrial constituencies in which all public powers are under the control of the workers organized in Socialist Industrial Unions.

point where the political government must be overthrown, when legislation cannot and must not be conducted by an organism that is separate and apart from the productive capability of man. Congress, the President, and all our judges may die tomorrow and not a wheel of production would stop running. That sort of government is political government.

It is said that the solution of the trust lies in the overthrow of the political government and the institution in place of the political government of the industrial government, the government made up of the representatives of the organized industries of the nation, the wiping out of the state lines, and the institution in lieu of the state lines of the industries. Instead of having the state of Pennsylvania we would have the industry of railroads, the industry of mines, the industry of weaving, the industry of food production, and so forth; and the representatives of those industries, representing the working people in those industries, would constitute the government, and that government would then own and control those instruments of production that civilization needs. But State Socialism, which is justly called half-baked Socialism, would put into the hands of the political State, the State which consists of capitalists, the management of industry. In other words, it would put in their hands additional powers to tyrannize the people.

If I have any time left I wish to sum up in a few words. Socialism demands, as the only solution of the trust problem, the overthrow of the political State and its substitution with the industrial State.<sup>2</sup> It demands this because the trust should not if it could, and could not if it would, be destroyed; and the trust cannot be saved for the people unless the people own it and control it through those who work, and not through politicians, whose only mission in civilization has been to keep the working class in subjugation.

In closing, I hope that my opponent, if he opposes this conclusion, will state whether he accepts the law of exchange-value. If he does not, why not? If he does, how can he deny the inevitableness of the perfected tool of production? If he does not deny that, how will he explain that course of civilization which Lewis H. Morgan, the leading American writer on

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<sup>2</sup> De Leon occasionally used the term “industrial State” to distinguish the industry-based democracy of Socialism from the territory-based, or political, government of class rule. Strictly speaking, however, the term “political State” is redundant and the term “industrial State” is a misnomer.

ethnology, has proclaimed the future of society; namely, that social institutions and social associations will overthrow the political State and establish the industrial State. You have come to listen. I can assure you that no one will listen to my distinguished opponent with greater attention than I, and as I have no hobby to serve, and this one purpose: to promote that system of government that will enable man to have what belongs to him, that will enable woman to enjoy her dignity, that will enable childhood to enjoy its pleasures, if my distinguished opponent can bring any point of reason to overthrow my position, no one will be more thankful than I to hear it.

**THE CHAIRMAN.  
STEWART WOOD.**

Ladies and Gentlemen:—

You have undoubtedly listened with interest to this scholarly statement of the views of the Socialist scholars, and we will now listen to a presentation from a gentleman who has been a captain of industry and is a captain of industry himself, and has been operating under conditions of individual management of industry. I need not introduce one to you who is your neighbor, and who has played so conspicuous a part in restoring the self-respect of Pennsylvanians when they think of their state government. I have the pleasure of introducing the Honorable William H. Berry.

## **FIRST PRESENTATION. WILLIAM H. BERRY.**

Mr. President, Ladies and Gentlemen:—

I am extremely gratified to have had the opportunity of listening to the presentation of the argument that my friend has advanced. I am extremely sorry that I am compelled to differ with him at the very outset. I would like to go along with him as far as I can, and I think I will begin at the back end of his address, in order that I may go with him a while. I join with him, and with every Socialist who complains of the injustice of existing conditions. I am not here to make any apology for the rank and gross injustice that is rife throughout our civilization, but when it comes to the matter of presenting a remedy, a way out of those difficulties, I feel myself unable to follow the reasoning of any of the Socialists. I was in hopes I might find something on the part of the brother who has just spoken that would be essentially different from anything I had previously heard. I have, however, been disappointed in that particular.

I want to preface my remarks by his statement. Mr. De Leon assumes that commercial or exchange-value is determined by the cost of production, by the labor concentrated in the production of an article. I am compelled to deny that statement *in toto*. The cost of production does not now, never did, and never can determine exchange-value. It never did, does not now, and never can do it. The thing that determines exchange-value is the law of supply and demand. The amount, the quantity of a product which is offered in the market in exchange for other things, as compared to the quantity of other things which are offered in exchange for it, will determine how much of one will go for the other, absolutely regardless of what it cost to produce either one. Cost of production ultimately, in the long run, and in those things which come to be of daily use, will have a controlling influence upon the quantity of products, but until it does it is absolutely powerless to determine anything in regard to exchange-value. It must first work upon quantity before it does anything at all with the value. That is in harmony with the profoundest philosophy of human life. If it were not so, it would not have persisted

through all the ages. These things which persist age through, age long, you may take for granted are ingrained in the very system. The reason that that is true is because the ideal man is a free man. Patrick Henry said, "I do not know what course others may pursue, but as for me, give me liberty or give me death." Put me off the planet if I cannot be free. I never recited that old speech when I was a boy that it did not go from center to circumference of my entire being. I believe it to be true, and man is impossible without freedom.

There is no merit or demerit possible in any action that is not volition. I care not how exemplary one's conduct may be, if it is not from choice there is no merit resident in it. I once addressed an audience of 1,500 men. The most exemplary conduct I ever saw was practiced by them, universally, absolutely up to date, every one of them in every particular. I could not find a single fault with any of them. They were in the Eastern Penitentiary. There was no merit in anything they did. They did it perforce. So I hold that in order that we may have a man at all, we must have a free man, a man who makes choices.

Now, we come into this world, all of us. This world is the environment, this land, these natural opportunities, are the environments of our existence. Two things, of course, are always to be considered in the development of any living organism: heredity and environment. I would like to take time to trace the heredity of this race to where I believe it originated, in the mind of the Eternal God. I differentiate between a man and any other creature, not on the ground of his being toolless when he comes into the world, but on the ground that he has the stamp of Deity placed upon him, in that he is a free agent and shall determine for himself what he shall do and how he shall do it.

But we come into this environment. Here are a lot of tasks. In some places it is easier to work than it is in others. Some tasks are very pleasant to some people, not always to everybody. I know a fellow that would rather work around a plant, fool around with a spade, dig among the worms and raise flowers and vegetables, than do any other thing on earth. I would not. He has no competitor when it comes to me. I am not bothering with his job. There are other jobs I would rather do for nothing than to be paid for doing some jobs. Some things are more excellent to some people than they are to others, so that if we are to have free men, and if we are to have men who follow the impulse implanted by the Creator, if they shall develop in full, we

must let them choose. If this fellow wants to raise flowers, let him raise them. But if flower-raising looks good to one fellow it is very likely to look good to somebody else. If there is no irksome feature in the task, if it is clean, wholesome, pleasant, a whole lot of people will likely choose that occupation. On the contrary, there is another task over here that is anything but pleasant. It has got to be done, but it is hard work. It has nothing attractive about it. There is more or less of dirt and discomfort necessarily associated with it. Some fellows may choose it. Some fellows may rather do that than do the other, but most of us would not. So as a consequence a great many people will choose the less irksome task, and very few people will choose the more irksome task.

As a consequence, flowers come into the market in great quantities, not in great abundance because they can raise a flower quicker than this fellow can wheel a wheelbarrow of stone. Not so. It is not the case at all. The labor involved may be the same, but a whole lot of people want to do this particular work. They do it in abundance and come forward with flowers in great abundance. This other thing over here, which is extremely necessary, but which involves irksome effort, comes scarce, and as a natural, necessary, inevitable consequence, flowers, no matter what they cost in the way of effort and time to produce them, will exchange, a whole lot of them for very little of this other thing on the other side. That is the natural process. If left to itself the easy job will always get the poorest pay. The hard job will always get the most pay. That is what ought to happen, but I ought to be perfectly free to choose, so far as I am concerned, which of those jobs I will work at. That ought to be left to me, not to you or anybody else. It should be a matter for me to determine. That is one thing I insist upon. I am going to choose my job. I would rather starve at certain occupations than be a millionaire in some others. I insist upon it that I can only do my best work and only rise to the highest possible levels for me to attain when I have chosen congenial employment, no matter what it is.

We have the trust problem confronting us. What is the matter with the trusts? I have no fault to find with the trust on account of its size; not at all. I have no fault to with the trust on account of its efficiency; not at all. I am perfectly satisfied that up to a certain extent the assembling of large capital and widely co-ordinated effort into some one industry, results, just as my



friend here has said, in some very desirable and very proper things. I would perhaps define it a little differently from the way he does. I would call it more a manifestation of the division of labor, the specialization which goes on and marks it, as he says, as the index of human advancement, not exactly and solely the improvement of tools, but largely the improvement of the skill and ability due to specialization and the direction of the effort of the individual in some one direction.

If there is anything the matter with the trust, what is it? There is only one thing. There is only one characteristic of the trust that I think we want to try to get rid of, and that is the one thing that strikes at the very heart of humanity, monopoly. That is all. What is monopoly? Let me give you a definition. Monopoly is anything in existence, man-made or natural, that prevents the free flow of effort into any channel of production. That is what it is and that is all it is, if by any process whatsoever it prevents the free flow of effort. I mean freedom to flow to any channel of activity you please. What is its opposite? Competition. What is competition? That is the thing that is at the bottom of the trust proposition which I am opposed to, and which I think the thoughtful mind of the time is determined to eradicate. Monopoly, the miasma. It is the cankerworm that is at the bottom of this entire situation. It is responsible for every evil with which we are afflicted.

Let me in just a few minutes illustrate its operation. It has its special field of operation in three particular directions. In the first place, in land, using the term in the broad sense which takes in all natural opportunities. Suppose, for instance, we get before us a community that we can see all around. Crusoe alone on his island, of course, is obliged to do everything for himself. He is jack of all trades and master of none. He never knows how to do anything well because he has so many things to do he never becomes master of anything. In consequence, the hats he makes are of no account. The shoes he makes are bunglesome and bother him more than they do him good, many times.

Let one hundred men assemble with him on the island. Now they specialize. Each takes up some one particular branch of production. One makes hats, another shoes, another coats, and so on. By concentration of effort, by study of the particular things of which he makes life business, he becomes expert. True, he improves his tool, too. The tools are a factor—and

a large factor, but they are not the only factor. The improvement of the man is the most important factor, in my judgment. I have seen lots of tools. I was looking just the other day in amazement at the Mergenthaler type-setting machine, and I want to tell you it never set a type on earth and never will until there is a man there to handle it. There is a man involved in every one of these propositions. No matter how complicated the tool is, there is a man, and his development comes about by his specialized attention to some particular thing. He becomes skilled. This man produces a hat in a day which it took old Crusoe a week to make, and it is a far better hat than he ever had. This man produces a pair of shoes in a day that it took Crusoe a week to make, and better shoes than Crusoe ever saw. But with the specialization of labor comes in immediately the necessity of exchange of products. The shoemaker cannot wear shoes all over him. Our feminine friends nowadays seem to be able to wear almost any old thing in the shape of a hat, but there is a limit even to the power of our lady friends to wear everything on earth on their heads. He cannot clothe himself entirely with this particular thing, so he must exchange products with his neighbor.

I want to stop right here for a second and illustrate one of the things which doubtless my friend will raise. He has not raised it as yet, but every Socialist I ever heard talk does raise it; that is the question of profit. I want to show you that this hatmaker, bringing a hat over to the shoemaker, will say, "Here, will you trade even?" Enough said, they trade. The hatmaker going back with a pair of shoes, chuckles to his neighbor, "Look at the shoes I got. I got a pair of shoes here I could not have made in a week, and got them for a hat I made in a day. Look at the rake-off I got on that ideal." The shoemaker, going home to his chum, says, "Look at the hat I got, a good hat I could not have made in a week. I got it for a pair of shoes I made in a day. Look how I skinned that fellow on that deal, the tremendous profit." Both of them got together and exchanged products.

Some Socialists seem to think one of the great evils against which we labor is profit taking. I do not. I want to tell you that profit taking is the grandest thing in the proposition. I want to tell you that civilization today, and all that beautifies the earth today, is accumulated profit. Had there been no profit, this building would not have been here. All that is accumulated is profit, and it does not scare me after it gets in that position. Our Socialist

friends call it capital, and get awfully scared when they get to calling it that. I am not afraid of it at all. The only trouble about it is that too few people own it. It is the segregation of it in the hands of a few that is doing damage. How has it been done? In almost every single instance through the operation of monopoly somewhere is some shape or other. So that when I am seeking a remedy for the trust question, I want to go to the root of the matter and bring up monopoly.

Suppose in the primitive community of ours, by some process or other, the shoemakers got hold of the section of land that raised all the leather, and there could not be any leather raised anywhere else, and that society had been harnessed with some kind of agreement that gave the owners of that land the title in fee, so that they could say to everybody else, "Keep off!" Don't you see that, the population growing, it would all have to concentrate in the hat and coat business and elsewhere. But the shoe business would be cutting out the shoes in the old quantity, and, hats coming out in double quantity, one pair of shoes would get two hats. They would have the same labor, the same effort, but the monopoly that surrounds this shoemaking industry, that prevents the free flow of effort into that channel, simply banks up an artificial value by operating on the quantity, entirely indifferent to the cost of production.

By that process, the monopolization of natural opportunity in the first place, we have permitted a few of our people to absorb all the profit of all our industry, while the great mass of our people have very little, and we are fulminating against the trust because of the name of it in some cases, and for various undigested reasons, but at the bottom the one indictment we can bring against the trust is that it prevents competition, for it is not a trust in any hurtful sense until it can prevent competition, and when it can then it has got us by the throat, and until it can it is as harmless as we are. I propose that the monopoly in natural opportunities shall be destroyed; not remedied, but absolutely destroyed. I do not believe that title to a single square inch of the face of God's green earth can be justified anywhere today. There is not a single title of record today that cannot be traced back to some physical giant that either murdered the man who had it before, or drove him off of it, and kept other people off by force, and took it and wrote the title to it in the blood of his fellows.

Second, transportation. People cannot exchange their products unless they can get together. If there is a chasm between the shoemaker and the hatmaker they cannot produce as specialists. They cannot do it. They cannot improve. Improvement there is impossible. This man must go back and do everything, and then he never does anything well. Suppose I am permitted by the community to open a road and build a bridge across this chasm, and then I am permitted to sit there and collect toll from the fellow that crosses this way and the fellow that crosses that way. I will get them coming and going, both of them. If I am given a monopoly of transportation, unless there is free entry of competitive effort in the transportation of goods, the segregation of all the profits on all the industries of people that cross it will finally land in the pockets of the tollgate keeper. So that I will direct your attention, second, to the evils of the transportation system.

There is no evil in one of these magnificent locomotives that pull a hundred cars across the Rocky Mountains; nothing wrong about that, nothing wrong about one thousand or ten thousand miles of railway; nothing wrong at all about any of it except monopoly. Whenever you get down to where the prevention of competition enters then the devilment enters, so that your attention should be directed to the dissolution of the monopolistic features of transportation, whatever they are. Open up competition upon it. It is the one thing that will cure the situation. There is still another. This is one I wish I had about an hour to talk about. It is not the primary one in point of historic precedence. It is not even secondary, but while it is tertiary in point of historic sequence, it is primary in point of momentary imminence.

I went into the Eastern Penitentiary on the occasion I told you about. They led me through the outside gate and locked it. We went on in. They let us through the gate of the building, took us through and locked it. We went on in. They took us an inner cell apartment, unlocked that, let us in and locked it behind us. There we were with a threefold lock between us and liberty. Suppose we had begun to fulminate and say, "Here, the thing that is troubling us here now is the outside gate. It is troubling us. We are not going to get away until we open that gate." Suppose we had said, "It is the gate to the main building that is troubling us. We are never going to get out until we open that." But we will never get to those gates until we unlock the cell door first. The thing that is right next to us, the thing that has got us in

such an iron grip today, is the monopoly in currency. That is the thing we are up against today.

I want to make this statement here and now, without fear of successful contradiction, there is no unwillingly idle man on God's green earth today that does not owe his present inability to find work at profitable wages, wages representing every particle of product that he himself produces, to the monopoly of currency that exists in this country today. I am prepared to defend that proposition at length and show you very briefly how it works. We come finally to changing these products around, and pick out one on them as the most convenient for a medium of exchange, the current commodity, so to speak. By and by we attach the power of law to it, and say, "If you owe anybody anything this is the thing that you have got to get in order to pay it." The minute you do that you do not set up monopoly there, but you make possible the most dangerous monopoly that confronts the race. Why? Simply for this reason: When you have done that you have set by law a monopoly which prevents the free flow of effort into the production of this particular commodity, which alone in all the scope of our product is empowered to cancel debt. That is, the only way you can get away from a creditor is by coughing up the money. I do not care what else you have got, get the money or you cannot get away from the creditor. Whenever you make it difficult to produce the money, then you make it difficult to get away from the creditor. Let us see where that leads you, especially taking this great jump my friend is obliged to take, down to the present time, where this great institution of currency has come to be one of the equivalents in every exchange.

One-half of the things that pass from hand to hand in the world is currency, and when that comes to pass and you are producing a locomotive, for instance, it is very interesting to see. Visit the Baldwin locomotive works. There is a magnificent locomotive, weighing 150 tons, representing the labor of probably thousands of men. Probably a hundred thousand men in different ways had something to do with the manufacture of that great machine. There it was, ready to be put on the market. There was not a man that had anything at all to do with it from its very inception in the bowels of the earth as iron ore until its final delivery into the hands of the engineer, but what got a piece of money for his efforts. Labor, money. Material, money. Everything weighed against money in that proposition, so that finally when the locomotive was ready to be put on the market it owed the Baldwin locomotive

works a certain amount of money, and that money must be secured for it or the locomotive works cannot run. Anybody that has ever tried to run a factory—I do not make locomotives, but I tell you I make mud-brick and you cannot make such a simple thing as mud-brick without paying money to somebody every time you turn over in bed. Every time you have a brick made you have to get a certain amount of money for that brick when you sell it, or you are going to the sheriff. I do not care what your business is. What is it that determines the amount of money that I will secure for the brick, or that Mr. Baldwin will secure for the locomotive? Not the cost of making brick? On, my, no. Not the cost making the locomotive? Oh, my, no, by no means, not now or ever.

The thing that determines how much money will be exchanged for the locomotive will depend entirely upon the number of locomotives that are in the market offered for money, as compared to the amount money, on the other hand, that is offered for locomotives. That is what will determine how much the locomotive brings in the market. Then you discover, as every manufacturer in the known world has discovered over and over again, that if you let your people work all the time in the locomotive shop or in the brickyard or anywhere else, you will get more of this kind of stock than that fellow is getting of his, and the first thing you know a locomotive costing you \$20,000 to make, you have to sell for \$15,000. Then the sheriff looms up as big as the whole horizon. Your speed of money production is determined by law, and when you have limited that the necessity rests upon every man to limit the production of locomotives and of everything else, and lays back upon the whole race the necessity of restraining effort, and sets up something that people miscall competition. They tell me that the people who stand around the gates of the locomotive works fighting one another for the first chance to get in there and bidding against one another to get the job at a less and less wage, are competing. No, no, no more like competition than day is like night. That is war, and war is hell and nothing but hell, and there is more of it in that contest than there is in the clinch of armed forces, and it is set up solely by reason of the presence of monopoly.

## **SECOND SPEECH. DANIEL DE LEON.**

My audience will remember that I stated in the course of my opening that the law of value which Socialist science has, is a rock against which the capitalist forces have wisely addressed their efforts. My distinguished opponent proved that proposition. I also stated that against that rock all opposition has dashed its head. I think I can prove to you that my distinguished adversary proved that point, too.

My distinguished adversary denied that law of value which says that the amount of labor crystallized in a commodity establishes its exchange-value. He said exchange-value is established by supply and demand. Now listen, men and women. If supply and demand establish value it follows, for instance, that if I pull with my left hand with 40-pound force and with my right hand with 10-pound force upon a pendulum, that pendulum will lean toward the left hand. If I pull with my right hand with 50-pound force and my left hand with 20-pound force, the pendulum will swing toward my right. Supply and demand means that the larger the supply in relation to the demand the lower is the value, and the lower the supply the higher is the value. In other words, if the supply is 50 pounds, which I take in my left, and the demand is only 20, the value would be toward my left hand. If toward my right hand the supply is 100 pounds and from my left side the demand is only 10, the price would be so much lower because the supply is so much higher. All right, but suppose supply and demand cancel each other. Suppose the supply and the demand are even. What becomes of value? Does it vanish? No. If I pull with 50-pound force that pendulum with my right hand and pull it back with 10-pound force with my left hand, the pendulum will oscillate to my right, but if with my right I pull with 10-pound force and with my left I pull with 10-pound force, according to that reasoning the pendulum would fly into the air. No, the pendulum will swing obedient to the law of gravity. The law of supply and demand explains nothing at all because if the elements of supply and demand equal each other, what becomes of value? That value is dependent upon the amount of labor power that crystallizes in it. I think that point is made clear.

My distinguished friend said that monopoly is the trouble. He said that monopoly means that the free flow of effort is prevented. I admit that, and I showed why—what it is that brings that about, namely, that law of industry that produces all that improved machinery, which excludes the man who has not got it. He said that competition is the remedy, that whatever promotes competition will destroy that monopoly. He said there is no trust until competition is prevented. Then he started to tell us what were the causes of monopoly. He began with land. It is true he mentioned railroads and it is true he mentioned money. The money subject is one which needs a special address, but he began with land monopoly and argued that if a person appropriates a certain portion of the earth that is the foundation of all monopoly. According to him, after having made that as a condition, money and railroads have not any hope left. If the ownership of the land is what produces monopoly, and if the owner of that land can tell the other fellow to get off the earth, why cannot the owner of that land tell the moneyed man and the railroad man to get off the earth? That is the Single Tax theory,<sup>3</sup> a theory which has to be taken separately and will be the subject of an address. All I can do in the fifteen minutes left to me is to puncture that bladder. I will show it to you.

I again repeat, I take it for granted most of you have had a college education. You know the language, the importance of language in determining certain facts and the significance thereof. It is through philology alone, language, that we can trace the stages of our progress. When our ancestors migrated from Asia, one branch went into Italy and another went into Germany. Philology tells us that. Philology may help in this case to prevent this absurdity of the Single Tax from extending any further. I say to you that there is nothing in that theory of land being the source of monopoly. Conjure to yourselves some of the leading Revolutionary Fathers. Conjure to yourself the most eminent of them all, Benjamin Franklin. Conjure before you the most brilliant, Thomas Jefferson. Conjure before you the profoundest, James Madison. Ask them, “Did you hear that so-and-so was

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<sup>3</sup> The “Single Tax” theory held that poverty and other social problems were the result, not of capitalist exploitation, but of the private ownership of the land. It held that the capitalists who use the land should pay a rent to the State that would eliminate the need for other taxes; hence, the single tax.



land-poor?” Imagine the statement. They would not know what that meant. They would say, “Man, you are crazy. Land-poor is a contradiction of terms. He who has land cannot be poor.” That was the condition then. Today we have the term land-poor, a term that shows that the thing exists, that a man can have land and yet be poor as Job. Between the land and natural opportunity has arisen the tool of production, the trust monopoly of production. Philology right here comes to our assistance and tells us of this change in conditions, of that change in conditions which existed at the time of the Revolutionary Fathers, when, land being all that was necessary, the term land-poor did not exist; whereas today, when land is no longer the foundation for monopoly, when between land and natural opportunity has arisen the tool of production, that gigantic, perfected contrivance called the trust, land has taken a back seat. There was a time, according to the Single Taxers, when white parasols and elephants mad with pride went with the title to land. Today we have white parasols and elephants mad with pride that are no longer in the possession of the landlord. They are in the possession of the capitalist lord. He owns them, and the landlord has passed the sceptre over to the capitalist who owns the capital, and owning the capital, owns the land, because without that capital the land is inaccessible to him, inaccessible because of the law of exchange-value that renders the labor of him who has not the necessary capital unproductive. That much for land monopoly.

As to the money monopoly, it falls together with the land monopoly. We had Crusoe referred to, a favorite authority with Single Taxers. I refer all of you, including my distinguished adversary, to the other works of the author of *Robinson Crusoe*, namely Daniel Defoe. He wrote *Robinson Crusoe*, but he also wrote *Dilworth* {sic}.<sup>4</sup> If I were a Single Taxer Crusoe would be the last man I would mention, because he reminds us of Daniel Defoe, and the mention of Daniel Defoe reminds us of his work which knocks the Single Tax sky high. I refer you to his great work, *Captain Jack* {sic}. He was one of the grand men of England and was sent over here under indenture, virtually a slave, and had to work seven years for this master. But his master loved him and appreciated him and said to him one day, “Jack, you have served me faithfully for a couple of years. I don’t want to have you to serve me any more. I have lots of land. Beyond is all the land you want. Go there and help

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<sup>4</sup> De Leon probably meant Defoe’s *Dickory Cronke*.

yourself.” The author of *Robinson Crusoe* says Captain Jack fell upon his knees before his master and said “Master, what have I done to you that you treat me like that? What can I do without the implements of production? I cannot help myself.”<sup>5</sup>

Daniel Defoe is the man who knocked out the Single Tax. He lived at a time when that vagary came up, and it was perfectly logical it should come up, because right here I want to say to you that taxation is a badge of servitude. He who taxes is master. He who is taxed is slave. The feudal lords owned the land, consequently the land was not taxed. The movable property of the bourgeois was taxed. When the bourgeois made a revolution they turned the tables on the feudal lords and said, “Our property shall not be taxable. Your land shall bear all taxes.” Take any given land as a pledge, free that man, and leave capital in the hands of the capitalists, and the capitalists will have the whole sway. Listen to those who claim that land monopoly is the foundation of all. Do you think when a farmer puts a mortgage on his land he does so because he thinks a mortgage is like a flower-pot? No, it is the law of exchange-value that renders it impossible for him to produce, with as little effort, as plentifully as a fellow who has a reaper and other instruments of production. As he is bankrupt, he goes cap in hand. He, at one time the holder of the white parasol and elephant mad with pride, goes to the banker. The banker looks him all over the same as the feudal lord looked at the bourgeois. He asks him many questions so as to make sure. When that landlord, the owner of that foundation and groundwork of all monopoly, has passed muster with the banker, then the banker puts another rope around his neck and gets mortgage whereby the banker becomes really the owner of the land and the farmer becomes his slave. He becomes a slave for the capital that the farmer needs to produce with.

I think I covered the matter of money. I have here a memorandum which I shall refer to for a moment. My friend said profit-making is the grandest thing in creation. Every capitalist will agree with that. The social

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<sup>5</sup> Quoting from memory, De Leon called the Defoe book *Captain Jack*, instead of *Colonel Jack*, the proper title. In the book, the master saw the need to give Colonel Jack the implements of production with the land, recognizing that the latter would be of no value without the former. The misquotation in no way affected the validity of De Leon’s argument.

revolutionist says, "Nay, nay; it is a crime." It was a necessary crime. It was a crime which was incident to that development of the tool until we reached the time when production was perfected by the trust. What is profit? Profit is that amount of wealth which the wage slave yields over and above his market price. If the workingman's market price is \$1 a day then \$1 he gets, and profit is everything that the capitalist can squeeze out of him as use value. Profit means unpaid labor. Profit means that portion of wealth that humanity has sweated and which is found in the pockets of the few. It means wholesale and legalized theft, and how anybody can invoke aid in support of such a thing passes my understanding.

## **SECOND SPEECH. WILLIAM H. BERRY.**

I am very much interested in my brother's effort, especially in this matter of profit. I want to pay attention, however, to his illustration of the operation of the law of supply and demand. There is nothing so illustrative or so apt as a good illustration. The tug of war between two contending forces does not illustrate the phenomena of supply and demand, at all. What I wish to do is to give you now the real illustration of the law of supply and demand. It is not an easy thing to do. There are not very many operations that may be cited. That probably is the reason my good brother has skipped them all. I know of but one. It is the contention between the force of gravity on the one hand, which tends to pull a balloon down, and the buoyancy of the atmosphere on the other hand, which tends to raise it up. As the altitude of the balloon increases, the buoyancy of the atmosphere decreases by reason of the increasing rarity. Just so, as the value of an article increases, the demand gradually decreases by reason of the inaccessibility, the inability of men to compete for it, and if it were to rest in that position it does not go up in the air even then. It has a point where the equilibrium between the contending forces of gravity on the one hand, or supply, tends to pull it down, and the buoyancy of the atmosphere, paralleling the force of demand on the other hand, tends to raise it up, and whenever they come to a balance there it rests. Some things will range higher than others, but the fact that they have a fixed place in the scale of values does not affirm for a minute that they are off the map. They are there just the same. They are there resisting two contending forces.

This would even be true of a couple of teams pulling on a weight with equal force. The fact that the forces are equalized does not take the weight off the map by any means. The weight is right there. The equilibrium of forces simply determines where the weight will rest. If the force on one hand is stronger than the other it will pull it over there, but the right place and the best place to bring it is in a vertical movement, because we usually think of things very valuable as being high. It is a mere matter of thinking, so the

parallel might better be taken that way. The contention of the forces of supply and demand always did and always will determine the question of value, and the distribution of profit is the result of the contending forces of supply and demand.

As to the mal-distribution of the profits of industry, whatever my friend may say to the contrary, I think the profit upon anything is the difference between what it cost to produce it and what you get for it. That is the profit. The difference between what it costs you to make an article and what you get for it is the profit, and if profits were equally distributed there would be no trouble. The difficulty is that they are unequally distributed. I want to tell you that a man who has a factory and is not a landlord is in bad shape. The man who does not own the ground his capital rests on is in bad shape. If there is no other ground to take it to the landlord will eat him up. That is easy to see, but I want to talk about this mal-distribution of this profit. That is the whole problem. It is the law of supply and demand. In other words, it is the law of human freedom.

I want to tell you I would rather have some hard times and be free than live in luxury a slave. I have not any use for the slavery I see in the Socialist program. What is the trouble? This man has a factory. I want to tell you something. He is the most miserable of all men if he has to go into a labor market where the demand for labor is greater than the supply. Just think a minute. I have got a shoe factory. I want to hire men. I go out into the market where there are two jobs hunting for one man. Let that situation persist for any length of time in your locality, and the first thing you know the working man will be making as much profit as the man that owns the factory and maybe a little more. In most cases today, even in this imperfect system, that is the case. I can cite you cases without number in which the workman gets more than he produces day in and day out for months together, and finally the sheriff takes the factory not infrequently. Seventy-five per cent. of people that go into productive enterprises get that handed to them before they are done with it. Seventy-five per cent. go to the sheriff. Why? Because the workingman gets more than he produces. When he fails to get it (and in the long run he does fail to get it), he does not get his own by any means. When he does fail to get it it is simply because the man who wants to hire him goes into a congested labor market where the law of supply and

demand sets up conditions in which two men are hunting for one job, in which cause always and everywhere the workingman will get the worst end of the proposition. He is sure to get less than is coming to him.

Why is there an idle man? That is the question. Most of the Socialists who have discussed this question with me attempted to tell us why. Mr. Kirkpatrick, I think, the last time he was here, told us the workman does not get all that he produces because he does not get all that he produces, , and he showed it to us beyond peradventure that that was true. A man does not get all he produces because he does not get all he produces. I cannot see any sense in that and never could, but I can see the reason why the workingman is in a congested market, why two men are hunting for one job. Whenever a locomotive works sees that the price of its locomotives is going down, there is only one thing for the locomotive man to do to save himself from the sheriff, and that is to shut down the locomotive factory and stop making locomotives, stop building the product. That is what he does, and why does he do it? Not because we do not want locomotives. James G. Hill said not a great while ago the railroads of this country today need \$5,000,000,000 for extension of the railways of this nation. Thousands upon thousands of locomotives are in immediate demand in this nation today, yet our locomotive makers dare not make them beyond a certain speed. Why? If they do the price goes down and the sheriff takes the locomotive works. That is the reason.

The land question is a fundamental question. The landlord is on the job; don't think he is not. But I am not here to tell you that the land question is the only question, by any means. I tried to explain to you that it is only the outside gate. It is the gate to the will of the prison. You will never be free until you correct it. The gate that leads you into the prison yard and out of the building is the transportation question; but the cell door, the door that has got you in its grip at this minute all over the civilized world, is the currency monopoly. The money people have got you tied down until you cannot get to the outside door. The first thing you have to decide is, what are you going to do with this currency question? It is nothing new. Five hundred years before the dawn of the Christian era the Prophet Amos called down the wrath of Jehovah upon Israel because they had made the ephah small and the shekel great. How had they made the shekel great? By making it scarce, setting up monopoly around it. They caused the poor of the land to fail.

How? By making two of them beg for one job. The same old story. It is as old as the race and just as potent today as it ever was.

Inch by inch the coils of this monopoly contract. The landlord even comes up to the banker. Why, even the landlord today when he comes up to the banker has got his hands full. He is up against it for fair, as the boys would say, when he meets a banker. I want to warn you tonight, my friends. I went to a moving picture show in Pittsburgh not a great while ago. I was not much interested in the moving pictures but they had a fellow that swung a lariat. I am always interested in that. I came from the Western country myself. He was the most expert artist with a rope that I ever saw. He stood his assistant on the back end of the stage and swung the lariat over and put it around his ankles and jerked it up, and then one half-hitch after another ran along. It flew over the assistant's head, like getting a fish hook on a line, one half-hitch after another until he had every limb tied, and at last he wrapped it around his neck. I tell you the question here is the use of the rope in this atmosphere of ours today. Hitch after hitch, half-hitch after half-hitch, is coming and the final ringer they call the Aldrich Bill.<sup>6</sup> Look out for it. If they land that it is all up. Let them land that final half-hitch and the poor landlord and the poor manufacturer, no matter who it is, his name is Dennis. He is finished if ever you allow that last hitch.

But what I want to get back to, for all these things are immaterial to me, is the proposition I started out with. Let me tell you unless we can have free men we cannot have men at all. I can see an inherent difficulty in the Socialist program, necessarily so. Grant that we shall own indiscriminately these industries. By some process or other you determine who shall run them. Somebody has got to do it. You have got to let us compete with one another for the opportunity to manage that thing, by which process alone in my judgment can you ever determine who is the best man to do it. The men best capable of doing it are doing it today. The men at the head of these great institutions got there, not in every case but in most cases, because they were the men of the hour. They got there by reason of qualifications, through competitive methods. Sometimes they did not, but after they got there they put it over us. How are you going to get it? You are going to get it in one of

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<sup>6</sup> A reference to the Aldrich-Vreeland Act of 1908, a monetary reform measure and precursor of the Federal Reserve Act of 1913.

two ways. You are either going to let us compete for those jobs, or you are going to elect somebody at the head of the situation whose business it will be to say to me, "Berry, you run that thing. Brother De Leon, you run that one." "But I object." "Never mind, now. This has got to be run. There are not enough of these. You come over here and run it." You must either let me choose that or choose for me, one of the two.

That difficulty inheres in every fibre of the Socialist program. As a practical method of operation, you must either let me choose or choose for me, one of the two. If you let me choose, that is competition. That is human freedom. If you choose for me that is slavery. I do not care who the chooser is. I do not care whether I help to elect him or not. I am a slave just the same. If there was any necessity for it I would submit to it, but I insist there is no necessity. I insist that all we have to do is to undo this monopoly that we have allowed to grow thus far and set our industries free. If a man is down in a well the way out is up, not down. The farther you dig down the worse you get. Socialism leads you further down in this thing, for what is monopoly? What is the hurtful thing about it? Nothing but the infringement of human freedom, that is all. Nothing but the slavery of man is involved in monopoly. That we do not like. Monopoly is slavery to whatever extent it exists, and that is what we hate about it. When you begin to extend the system then you take away from every one of us the very thing that made the civilization of which we are so proud and which is our boast.



### **THIRD SPEECH. DANIEL DE LEON.**

My distinguished adversary denied my symbol of supply and demand, that is, the opposing forces, and said the real comparison is the law of gravitation as it affects things up and down. I will prove to you that comparison of his will not fit, for the reason that the law of gravitation is a permanent thing, always there, always with the same force, whereas demand is not always there with the same force, and supply is not always there with the same force. Consequently, the thing that puts value upon them must be a thing that is changeable. What is changeable? Supply and demand, and I have shown with my illustration that the forces which I imagined, are changeable. The comparison of gravity will not hold water for the reason that gravity is not a changeable force. It remains permanent.

Number 2. My distinguished adversary said that profit is the difference between the cost of production and what you get for it. If that is true, then profit is cheating. If a thing costs me \$6 and I get \$20 I have stuck the purchaser. That is not profit. The man who makes profit does not cheat the purchaser. He recovers the value of the goods that he sold. The one who is cheated is the workman. He was not paid, and the capitalist gets that swag. The other definition of profit is typical of the capitalistic mind. The capitalist actually believes that cheating is what does it. No, some capitalists cheat, but society could not last upon that basis. Capitalists give value for what they get, but the value they give for the money they get is not the value that they pay Labor for. The workman is cheated. The workman does not get all his produce. Of course not. The law of exchange-value, which is an illustration of supply and demand, only confirms the statement. That explains why the worker does not get all that he produces. The socially necessary tool of production is not his. That socially necessary tool is in the hands of a private concern, and it needs the tool which can produce as plentifully as the best; that is what is meant by the socially necessary tool. Since he has not got that he has to go and sell himself in wage slavery, and wage slavery means selling oneself as commodity. The workman today is

nothing but a commodity, and he gets his price, which is determined by supply and demand—the price, not the value. His value is vastly higher, but his price is determined by supply and demand. The tool throws more and more capitalists out of the capitalist class into the lower class. The supply becomes larger. The demand does not rise in proportion, and the workman does not get what he produces.

We have been told Socialism is slavery and the workman makes more than the capitalist. How could there be a capitalist under Socialism? It is like telling us through the Revolutionary days that there would be no freedom in America after King George was kicked out, because the Revolutionary Fathers and the citizens of these colonies would be trampled upon by the British Crown. How can the British Crown trample after it is kicked out? When the capitalist class has been abolished by appropriation by the people of that which by right is theirs—that which they cannot exist without except as slaves of the capitalist class—then for the first time in creation a revolution takes place in which the victorious class will not hang that class which it overthrows, but in which it will enable that class to earn an honest living by going to work. I realize there is nothing for the capitalist. I realize it seems almost like servitude to him that capital cuts no figure, but he will be given an opportunity. The revolutionary class will do that.

When my distinguished adversary says many workmen get more than the capitalist, I would like to know if he will accept my amendment. Many a capitalist cannot continue to skin his workingmen of part of what they produce, although he is getting more. I admit it. That is so because that capitalist is producing with tools inferior to other capitalists and he is ground between the upper and nether millstones. The capitalist's tools fail to produce as cheaply as those of the other capitalists, and the result is that he cannot continue to exist. He goes into bankruptcy, but it is not because the workman got more than he. There is no such capitalist in existence. If you find any such in Philadelphia my advice to you is to grab him, pinion him and put him in a hall on exhibition.

We were told a good deal about money. My distinguished adversary give up his theory that land was the foundation of monopoly. Instead of being the foundation it was the back gate. I congratulate him on the progress he has made. What is money? I cannot go into that broad subject. Money is a

necessary thing under a social system that produces for sale and not for use. Given that production for sale, with the law of value working under it, and you must have money, and you kick against that as a barricade. The ground and foundation of the theory which I mentioned was this private tool of production. Remove that and there is no money any more. Money vanishes absolutely, such a thing as metallic money. We saw yesterday that about \$5,000,000 of gold coin had to be shipped bodily to the Argentine Republic. Such a thing is evidence of the absurdity of our present social system. It is not gold used for the arts or sciences. It is gold used for exchange, and exchange under this condition has to be by means of money with all the evils my friend referred to. Remove that method of production, overthrow the political State, establish the Co-operative Commonwealth or Industrial Republic, and money collapses as completely as I would drop to the center of the earth if this stage broke down and a vacuum took its place, leaving me down below. There is no sense in animadverting on money. Of course, it is bad, but how foolish it is to scratch at a pimple that has broken out on the hand that is getting more and more sore, instead of making the blood healthy, so that the pimple will disappear. You can go on picking at that pimple as much as you like, you cannot pick it out. Money is one of those pimples on the social body.

My opponent says unless we can have free men we can have no men at all. That I accept. The question is, what is freedom? Freedom is that condition of society in which a man can work when he pleases, at what he pleases, and keep all that he produces. The great way to get that is to overthrow the political State and establish the Socialist Industrial Co-operative Commonwealth. Today there can be no freedom. Money and the banker are necessities of the capitalist State. Today men are slaves because they produce more than they get. That is the condition of slavery, and of course, under those conditions we have no men. That is why we have this condition of unrest in the country.

The men at the head of institutions today we are told are men who know best. I would like to know what man at the head of an institution is doing any work. I have looked into that question. Very few of the institutions of the land that are worth mentioning are not run by wage slaves. Some get pretty good wages and others lower wages, but the men who own the

institutions are not running anything. They are spending their time in Europe with fast horses and faster women. They are wasting their substance. They are not running the country or the institutions. Those who do run the institutions are small bourgeois who are still trying to save themselves, but the big capitalist will take care of them.

As to his plan of Socialism, I cannot see any Socialism but as I have described. I can assure you that if Socialism were the kind of thing my distinguished friend perhaps thinks it is, the thing which he described, I would not advocate it. It is all the Single Tax theory we have heard so often, that under Socialism the State will order me what kind of handkerchiefs I shall use to blow my patriotic nose with. Socialism is nothing of the sort. Under Socialism the opportunity for work is there and no one can live unless he works. People will go to work. A man will be anxious to work two or three hours a day gladly if he is going to keep all that he produces. There will be no danger of anybody dictating to him. He is going to choose for himself.

### **THIRD SPEECH. WILLIAM H. BERRY.**

I shall refer for a moment to what my distinguished opponent thinks is the exceedingly insignificant currency question. It amuses me. I apprehend that when he will have amputated that excrescence he will discover himself somewhat in the condition of the young surgeon who had a very important case. The patient had a tumor, and he performed an operation and removed it, and he was bragging to his fellow professionals on the subject. He told them that the tumor weighed 120 pounds and the patient only weighed 60 after the tumor was removed. He was asked, "Did you save the patient?" "Oh, no," he said, "I saved the tumor." I rather fear after this currency proposition is eliminated that you will discover that it is something more than a mere experience.

If under the Socialistic system you are permitted to choose your employment, you will undoubtedly find that the easy jobs will be over-chosen and the product will become greatly abundant, and that your fancy notions of the labor value will disappear. Competition will get its nose in the tent, and before you know it the whole canvas inside your Socialistic system is gone if ever you let fellows compete for a job. If you let me choose my occupation I am going to choose the easy thing. You can depend on me for that. I will choose the soft thing. I think a whole lot of other fellows will choose the soft thing, and just as sure as the soft thing is over-chosen just that sure the soft thing will be overproduced. Just that sure it will lose value in spite of everything you can possibly do or say. If you let that proposition into your game at all it is absolutely gone down the winds.

I put this proposition. I put it to this audience once before. I think I will do it again, it is so apt. My brother has five minutes in which he can refute it. Freedom is impossible under a Socialistic system. We have got to have beef cattle. We are going to get them in one of two ways. Either we are going to let people who feel like it choose to raise cattle, or we are going to elect somebody by a 51 per cent. vote whose business it will be to pick out the people who shall raise cattle. I do not care which it is, but you are going to do

one or the other. My theory is that you must let us choose to raise cattle and take the consequence if we overproduce and give cheap beef once in a while. That is my theory about it, for in that case you have free men. If you do not you put a man who is built for a lawyer in cattle raising. You do all sorts of violence to everything that is valuable in man. After you have the cattle raised you have to have a butcher. You will get him one way or the other. You will either elect a man with a 51 per cent. vote whose business it is to pick out butchers and say, "We want ten butchers. Ten butchers is all we can have. You are a butcher or nothing," or else you let us compete and have a whole lot of butchers—if it is the thing we like to do, let us do it. We get butchering cheap, and the cheapness will keep us away if we get too many.

After you get the butchers you have the problem of distribution before you just as big as ever. Who is going to get sirloin and who is going to get inferior portions? You are going to determine that in the same way you did the other. You have to do it. There is no escape from it. You have either to elect a man by a 51 per cent. vote, whose business it will be to say, "It is your day for shinbone, and, Brother De Leon, it is your day for sirloin." Either you have got to do that or let us compete, and then the fellow that will give the most for the sirloin will get it; one of the two. I can see perfectly well that there is some extravagance in that system. A friend said something to me the other day. We were sitting on my porch and I think about seven or eight milkmen went by in the course of an hour. He said, "There is an illustration. Under Socialism you would only have one milkman who would come around here and serve everybody on this street." I said, "Not if I could help it, you would not. I want to choose even my milkman. I do not want you to choose him for me. I have a preference in milkmen and would rather pay one man eight cents a quart than pay another man seven. I know it costs more to have six or eight men come along there, but I can beat cheapness to death. It is not cheapness we want, it is freedom we want. That is the thing that develops men."

## **CLOSING SPEECH. DANIEL DE LEON.**

This debate has closed where some debates would have commenced. My distinguished adversary has drawn a picture of Socialism which is a caricature. All I can do is to throw out just one hint. He tells us that the easy job will be over-chosen and he will choose the soft job. Do you know anybody who chooses the hard job today? I do not. The difference between the Socialist commonwealth and the present capitalistic commonwealth is that today the hardest jobs have to be chosen compulsorily by those jobs. Under Socialism the principle is entirely different, but to give you the fundamental principle for that would need half an hour and I have not got it, so I can only give you the concluding principle. Under Socialism, if there is an over-supply, say of conductors of cars, it would be an implication that there is less fibre spent, less labor power consumed in conducting a car, and the consequence would be that the hours of the men would have to be longer than the hours of the men who applied for jobs that are disagreeable. It is the application of the law of exchange-value to which I referred at the beginning of my address, as the dynamo under capitalist society. It is the application of that. There is, and I repeat it, nobody today looking gladly for a hard job. People take whatever job is open to them.

My distinguished friend referred to himself as a brickmaker. He will allow me to say I do not believe he chose brickmaking because he loved bricks. He chose brickmaking because he thought he would make more money according to his theory, getting more than he expended in getting it. I do not believe in a civilized community a gentleman with his shape of head would adopt such miserable work and spend his life upon making bricks. That can be done in a few hours and he devote his talents to other things.

I refer to his often repeated caricature of Socialism, which shows he does not grasp the law of exchange-value. He says, first, that soft jobs will be over-crowded; secondly, the supply will be excessive. That does not hold. I repeat it, in proportion to the supply of labor for a certain thing you can tell whether much or little fibre is expended in its production, and the relative

supply for this, that and the other job establishes the number of hours that are equivalent with this condition. Then we would have long hours maybe for some on account of the work being pleasant, and have short hours for others, but the hours of one cannot exceed the necessary hours for physical exercise, for the reason that the productivity of the Commonwealth will be so much larger.

I will use my closing minutes with a rapid survey of the position. The proposition, the trust proposition, the back gate or the foundation of the land, and all these various things, you cannot approach and cannot understand unless you grasp the law of exchange-value. That law of exchange-value disables the man who does not own the best machinery for his form of work. That determines the usefulness of the trust as the best implement possible, and just as soon as the trust presents itself then the decree of civilization is that the trust shall be saved and that it shall be saved in the only way it can be saved, namely, by bringing society to that condition from which our ancestors moved when they had to enter into the valley of the shadow of death of capitalism, leaving communism behind.

We have to rear that social system in which the government consists of the people who are directing production instead of the people whose sole work must be to cheat the underlings under them. We must have a social system which outlines with the truth, and only that is true which fits all the facts, the fact of the law of exchange-value, the fact of necessity of the most perfect tool, the fact that most perfect tool of today, the trust, rings the knell of political government and ushers in the government of representatives of industrial occupations. That proposition fits all the facts, and as it fits all the facts, the Socialists work along that line. As far as I know, there is no other movement that is making any progress. All others grow like cows, tail down toward the earth.



## THE CHAIRMAN.

The debate between the speakers is now closed. When we came we expected to hear Socialism as a cure for the trust. We have heard very little about trusts and a great deal about Socialism pro and con. I rather thought the proposition might have been announced that the formation of the trust was only a step toward the introduction of Socialism. That is a proposition which is quite open to debate, and which is very interesting, but it is too late to open that now.

According to the custom of these meetings, I will state that it is now open for any one to ask any relevant question of either of the speakers, but in this we follow a rule which I believe has been announced by both speakers in their objection to monopoly, so that no lady or gentleman is expected to ask more than one question or to take more than two minutes in presenting the question, and then the speaker will answer it.

A GENTLEMAN. I would like to ask Mr. Berry, why should the discipline of an industrial government be less desirable than the discipline of the armies that have fought for political freedom.

MR. BERRY. I presume discipline is a necessity of all organizations. This thought would lead me into a very large discussion if I were to follow it. I do not believe in armies at all. I think the most ridiculous thing on the face of the earth today are those armies we are mobilizing for various purposes. I believe that they could not be recruited if we had monopoly eliminated at the bottom, and a condition set up where the demand for labor in productive enterprises would always and everywhere exceed the supply. You could not hire a man to go to war if he could always do better at home than he can in war. Therefore, I question the whole proposition of discipline. I know perfectly well, as a manager of a productive enterprise, that a man who coordinates an enterprise must have control of it, but that control of it must be with free, independent men. Competition is reprehensible only when it is on the jug-handle type, when it is all on one side, when the employer does not

have to compete and the employe does. When competition is like a loving cup that we pass around at our various functions, and has a handle on both sides of it, then there is nothing the matter with competition, and then discipline is quite a different thing from what ordinarily arises in one's mind in thinking about it.

A GENTLEMAN. How can a trust, or even Socialism, save the family or even the State? He was saying about there being no money.

THE CHAIRMAN. To whom is the question addressed?

THE GENTLEMAN. To Professor De Leon.

MR. DE LEON. The question is, how can the trust or Socialism save the family or State? I do not understand the question.

THE GENTLEMAN. You said wipe out state lines.

MR. DE LEON. Yes, wipe out state lines and establish in lieu of state lines the industries, representatives of industry. How will that save the family?

THE GENTLEMAN. They say Socialism breaks up the family. I always heard that it would lead to free love. They do not believe in the Bible.

MR. DE LEON. As far as I can judge, I think the capitalist is the one who breaks up the family. He sends the husband to look for a job anywhere. He throws the wife in the market. He grabs children from the cradle. Socialism cannot be worse than that. I do not understand that question. Today the family is smashed by capitalistic conditions under the private ownership of the tool of production. Overthrow that. Have that which is real Socialism, not State Socialism,—that is not Socialism at all. Overthrow the capitalist system, which means organize the industries of the country so that their representatives can meet and make laws for production and I do not believe there will be any wife who will run away into a factory. I do not

believe there will be any man who will go out West looking for a job. I do not believe there will be any more she-towns in Massachusetts and he-towns in Pennsylvania, a disgrace to civilization.

How Socialism would destroy the family? It is one of the slanders of capitalism. You might as well say Socialism will produce arson or do anything else,—that men under Socialism will walk on their heads. We have heard such things, but we hear less and less of them. Socialism will save the family. Today the family does not exist *de facto*. Ladies will not think I am rude when I say that the best of capitalist society recognizes that houses of prostitution cannot be destroyed because under capitalism they are a necessity.

A GENTLEMAN. I would like to ask Mr. De Leon a question. With reference to value, he says that the amount of labor in an article constitutes its value, or determines its value. I would like to ask him whether if he built an ocean steamship on the Rocky Mountains and another in the Delaware River, the one on the Rocky Mountains, which presumably has required a greater amount of labor to construct than the one in the Delaware River, would be of greater value than the one in the river.

MR. DE LEON. If anybody is insane enough to build a steamboat there he deserves to get stranded on top on the mountain.

THE GENTLEMAN. The question is the amount of labor power in the article. If the steamboat on the Rocky Mountains required a greater amount of labor to produce, would that steamboat then have greater value than the one in the river?

MR. DE LEON. No, that steamboat would have no value at all for it is no commodity. I said that all commodities have their value dependent upon the amount of social labor necessary for their production. Your steamboat on the Rocky Mountains, by the very fact of its being built on top of the Rocky Mountains, is excluded from the market, is excluded from the category of commodities. It is freak production, and freak productions have no value.

THE GENTLEMAN. Then it follows the amount of labor has nothing to do with the value of the article.

MR. DE LEON. Oh, no. If you mean that the amount of labor, regardless of what it is expended on, has nothing to do with value, I stated that myself. I said the amount of labor **socially necessary**, so that if a man were today to weave with an old-style loom he would produce about one yard of cloth a week, and that yard of cloth is produced by an instrument that is rejected by society. It is no longer socially necessary, but it is the antediluvian labor which we have outgrown. To say, therefore, that labor has nothing to do with it is to deny my definition. The value of a commodity depends upon the amount of **socially necessary** labor power {required} to produce it. It means that the thing must be commodity. A steamboat on top of the Rocky Mountains is no commodity. It means it must be produced by **socially necessary** labor power. The man who spends a whole week in producing one yard of cloth is not spending socially necessary labor, but wasting socially unnecessary labor power. The thing must be commodity. It must have a market in which it is to be sold. I am pretty sure a steamboat on top on the Rocky Mountains has no market.

{The End.}

[Transcribed for the official Web site of the Socialist Labor Party of America,  
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