

The People.

VOL. IV, NO. 39.

NEW YORK, SUNDAY, DECEMBER 23, 1894.

PRICE 3 CENTS.

SECOND EDITORIAL

MAKING MONEY OUT OF NOTHING.

By DANIEL DE LEON

IT was Ruskin who once lashed the capitalist back with the remark: “Alchemy is, indeed, no longer included in our list of sciences, for alchemy proposed—irrational science that it was—to make money of something—gold of lead, or the like. But to make money of nothing, this appears to be manifoldly possible, to the modern Anglo-Saxon practical person, instructed by John Stuart Mill.”

In the course of last week three instances of this “practical” turn of mind that thrives under capitalism—making money out of nothing—come forcibly before the public.

The first instance was that of a lot of sharpers, who duped no end of bankers and business men. This was their scheme: Some way or other they managed to get a high commercial rating. Banking upon that, they raised large funds on credit and lived in high style. The plan worked to perfection until they could not borrow fast enough from Peter to pay Paul and keep up their style; whereupon suspicion was aroused and their game was ended.

The second was supplied not by adventurers, but by a concern of standing—the White Lead Trust. When goods are imported and duty is paid upon them, and they are thereupon re-exported, the duty is returned by the Custom House. The White Lead Trust manufactures its staple from pig lead. Now, then, on frequent occasions it demanded from the Custom House and obtained a repayment of duty, i.e., a “drawback,” for white lead exported by it, upon the claim that the white lead was manufactured from pig lead imported by it, and upon which it alleged to have paid duty. In this way the trust is said to have swindled the Government out of \$216,667,

the “drawback” which it collected being fraudulent, it not having imported and paid duty upon the pig lead which it had used. The swindle came out through a clerk, and by his efforts an action has been instituted against the trust by the Government to collect the sum of \$25,000 fraudulently obtained.

The third instance turns up with the Nicaragua Canal scheme. The plan is to get a bill through Congress pledging the credit of the United States to the Canal Company to the extent of \$70,000,000. Upon this act the incorporators expect to issue stock and obtain the funds that they may want for their ulterior purposes. In other words, without any money investment or other valuable thing, nothing further than an act of Congress, they expect to raise untold millions.

In each of these cases money was or is expected to be made out of nothing. Let some one imagine the indignation of these several sharpers at the thought of Socialism! Imagine them hearing a Socialist speaker advocating the necessity of public ownership of the means of production, or advocating higher wages for their employees! How these gentlemen would gurgle out the paste-board capitalist phrases about their “savings,” their “abstinence,” their “hard work” to get a start and become “captains of industry!”

Yet of such is the nature of all fortunes. We shall be glad to hear of the first exception.

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