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DIALOGUE

## UNCLE SAM & BROTHER JONATHAN. {249}

By DANIEL DE LEON

**B**ROTHER JONATHAN—I have joined the  
“Tax Reformers’ League of Tax-payers.”

UNCLE SAM—What on earth have  
you, a workingman, got to do with tax reform and  
tax-payers!?

B.J.—Am I not a tax-payer?

U.S.—Not that I know of.

B.J.—Why, of course, I am!

U.S.—Do you own land?

B.J.—Go away, no!

U.S.—Do you own houses?

B.J.—Stop your guying, of course not!

U.S.—Do you own any other property on which taxes are levied, say jewelry, fine  
furniture, machinery—

B.J.—Now, don’t go on that way; you know I am as poor as a church mouse.

U.S.—Which is another way of saying as poor as a workingman or a wage slave, eh?

B.J.—Yes, certainly.

U.S.—This being thus, what do you pay taxes on, pray?

B.J.—Am I not a workingman?

U.S.—Yes.

B.J.—Is not Labor the sole producer of all wealth?

U.S.—Yes.

B.J.—Are not taxes wealth?

U.S.—Yes.



UNCLE SAM & BROTHER JONATHAN

B.J.—Why, then, it follows that I as a member of Labor pay the taxes, and that lower taxes will make me better off.

U.S.—Oho! Did you read the account of our employers' ball last week, how my employer's wife had a diamond necklace on worth \$5,000?

B.J.—Yes, and MY employer's wife had on a Brussels lace bodice worth \$6,500.

U.S.—Are that diamond necklace and that Brussels lace bodice wealth or not?

B.J.—Wealth, of course.

U.S.—Produced by labor or produced by capital?

B.J. (with a look of disgust)—“By capital”? Of course not, by labor!

U.S.—Now, suppose that your employer and mine had not bought that necklace and bodice, would you and I be in the amount of money they cost? Would we be the possessors of that \$11,500? Would our wages have gone up any higher?

B.J. (scratches his ears, and after meditating a while, during which a drop of perspiration appears on his forehead)—No. We would not have been in that much more money. Our wages would not have been any higher. We would have been just as badly off as we now are. It would have made no difference to us.

U.S.—And yet that necklace and bodice are wealth, and, as such, are the produce of labor.

B.J.—Yes, they are.

U.S.—Would you in the face of these facts say that, seeing luxury is wealth and labor produces all wealth, therefore, you pay for luxury, and lower or less luxury will make you better off?

B.J.—I wish there were something around here that I could sit on. I feel my head swimming.—This thing looks mixed up.—Let me see.—As Labor produces all wealth, and diamond necklaces and Brussels lace bodices are wealth, it does seem as if Labor paid for them.—But yet,—

U.S.—Go on; guess you are on the right track—

B.J.—And yet I feel mixed up.—Let me see.—If I am the man who pays for a thing, then it must follow that if the thing is not bought, I have not paid for it, and I must be in the money that the thing would have cost.

U.S.—Correct! Go on, me boy, you are doing first rate, though rather slow; go on!

B.J.—If, then, I am no more money in pocket in case the thing was not bought,—then (very deliberately)—I CAN'T BE THE ONE THAT PAYS FOR IT! Ain't it?

U.S.—Just so. Go on!

B.J.—I can't. Here I am stuck fast. Help me out, if you can. I feel like one sinking in quick sands.

U.S.—Just hook on to me and I'll pull you out. If I go faster than you can hang on, sing out, and I will slack up. Now, listen. Your pickle comes, first, from the wrong, the misleading use you make of the word PAY. Now, hold tight! Does a man PAY out of what he HAS NOT, or out of what HE HAS?

B.J.—How can a man pay out of what he has not? He pays, of course, out of what he has.

U.S.—Correct.—Now, did we ever have in our hands the \$11,500 that our employers expended in Brussels lace bodices and diamond necklaces?

B.J. (decidedly hot in the collar)—Did we? No, by thunder!

U.S.—I am glad of your emphasis. Now, stick a pin there. We did not pay for them for the simple reason that we did not have the wealth to pay with. This clears up the point why less luxuries enjoyed by the employer does not mean more wealth left to us. Whether the employer indulges in luxuries or not, and whether he drops one sort of luxury and changes it for another, we are no poorer and no richer, because these luxuries are paid for by wealth that never was in our hands.

B.J.—That's certainly so.

U.S.—Now, hold tight again. We are now approaching the roughest part of the road. Our capitalist employer does not work; consequently, he does not produce any wealth. Nevertheless, he has all the wealth needed to buy luxuries with. As labor is the sole producer of all wealth, and our employer, who is an idler, can not produce any, it follows that the wealth he buys the luxuries with he must have gobbled up from us, his workingmen, who produced it.

B.J.—Just so!

U.S.—Hold tight! Here we are face to face with the central problem. We are the sole producers of all wealth; the employer, despite his being an idler, has the bulk of it to pay with for luxuries. He must have gobbled it up, and from us. But it never was in our

hands. Where, when and how did he do the gobbling up? Upon the correct answer to this question depends the solution of the problem, and the wisdom or the folly of much of the tactics of the Labor movement.

B.J.—Yes; WHERE, WHEN, and HOW?

U.S.—Where?—IN THE SHOP. When?—ON PAY-DAY. How?—THROUGH THE SYSTEM OF CAPITALISM OR WAGE SLAVERY. The wages we are given are only a small part of the wealth we produce. These wages represent the price of our labor in the market. Labor, under this system of wage slavery, is not considered a human being at all; it is only a merchandise. The value of all merchandise depends upon the cost of production. So with us, the merchandise Labor. Our price, that is our wages, is simply the cost of keeping us alive and able to procreate. This is the law of wages; and thus it comes that although we produce all the stupendous wealth of the nation, our share is small; and that just in proportion to the increased wealth we produce our share becomes smaller.

B.J.—Heaven knows, that's so!

U.S.—Now you know the WHERE, WHEN and HOW of the gobbling up.

B.J.—Yes.

U.S.—Knowing it, you can no longer feel stuck at the sight of the fact that although we are the sole producers of all the wealth, we do not PAY for the luxuries that our employers indulge in. Those luxuries ARE paid for with wealth that we produce, but they are not paid for by US because the wealth that buys them is stolen from us before it reaches our hands; they are paid for by the employer out of that portion of our product that is stolen from us anyhow.

B.J.—But—

U.S.—One moment. You may consider this position too technical to be worth insisting on—

B.J.—That's just what I was going to say.

U.S.—Nevertheless, it is important for several reasons. It follows from that strict statement:

1. That whether the employer is a spendthrift or a miser, we are no better and no worse off.

2. That, by knowing the exact place where we are robbed, we will not spend our efforts in wrong directions trying to better ourselves.

Apply these principles to the question of taxation, and you will soon realize their far-reaching importance.

B.J. puckers up his brows.

U.S.—All the wages of the whole working class, put together, will not come anywhere near the amount of the taxes paid in the land. For the same reason that we could not have paid for the diamond necklace and Brussels lace bodice of our employers' wives, the working class can not have paid these taxes. From year end to year end, it never had that amount of money or wealth in its hands to pay with.

Secondly, the share of the wealth that the workingman enjoys depends upon the law of wages, which you now know is regulated by the cost of production, just as with any other merchandise. Lower the cost of the necessaries of labor, and it follows the price of labor will sink proportionally. Lower taxes lower the cost of the necessaries of labor, consequently low taxes will send still lower down the percentage of the share that Labor will keep, under this capitalist system, of the fruit of its toil.

Say that the workingman needs just one loaf of bread to live. If that loaf of bread costs 5 cents, his wages must be 5 cents; he produces 100 cents' worth of wealth, out of that he receives the 5 cents for the loaf, and the employer keeps 95 cents profits.

Say the cost of the loaf is raised to 25 cents because of a tax of 20 cents on it. The cost of Labor now becomes 25 cents and his wages must rise to that point or he dies. What is the situation? The worker produces 100 cents, receives 25 cents as wages; he is no better off than before, because that 25 cents can only pay for one loaf, just as the 5 cents did before. But the employer only keeps 75 cents profits, whereas before he made 95 cents; who paid the taxes, you or he?

B.J.—He, by Jericho!

U.S.—And say that taxation is lowered and the loaf costs only one cent. Will you be in 24 cents? No. As the cost of labor has come down to 1 cent, 1 cent will have to be your wages, while the employer will then make 99 cents profits. Are you in either case better off or worse?

B.J.—In no way. But why then all this row about taxation?

U.S.—The row is between the capitalists. It is a row as to which set of them will preserve the largest share of the hide of the workers. The politicians, for instance, want higher taxes, because then they will have high salaries and perquisites; but the “reformers” want low taxes, because that means that they will keep themselves a larger share of the profits they have skinned the workers out of and that otherwise would go to the politicians, and so on.

B.J. (smiting himself on the forehead)—Heavens, how those reformers have played me for a sucker!

U.S.—No doubt they have.

B.J.—All their jabber about Labor being crushed by taxes was pure bunco!

U.S.—Nothing else. By understanding that Labor is robbed in the shop, the voter will devote his energies to vote himself into the possession of the shop; he will not be caught in the trap of the lie that HE pays the taxes; he will not be the cat’s-paw for “reformers” and other capitalist swindlers. That is why it is so important to emphasize the fact that, under this capitalist system, Labor does not pay the taxes, but they are paid out of that part of the product of Labor that the working class is robbed of anyhow by the capitalist class.

B.J. (as mad as he can stick)—The first reformer or his heeler who talks taxation to me will get his nose punched.

U.S.—Won’t do him any harm.

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