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SCIENCE AND SENTIMENT ON THE MONEY QUESTION

BARREN ORATORY OF SILVERITES

The Demonetization of Silver a Result of the Economic System—Bimetallism is an Impossibility and Free Silver a Capitalist Fake Issue.

The demonetization of silver is a consequence of the economic system. If it is a crime, the system that was its cause is a crime. People who pretend to consider the demonetization of silver a crime, and do not at the same time condemn the system do not reason right. A true friend of the people would fight against the system, and not its consequences.

But as long as the existing economic system is in force, all the attempts on the part of the United States or any other government to return to silver monometallism must necessarily result in disaster and the general financial ruin of the people. I say silver monometallism, because bimetallism as advocated by the silverites, is obviously an impossibility. The now existing gold standard has many advantages. (1) It is the standard of all civilized countries of the world; (2) the price of gold is comparatively stable, and (3) the great proportion of that metal used in the arts counteracts its fall in value as a commodity in consequence of increased production.

Let us now examine the proposition of the silverites—to enact the double standard at the arbitrary ratio, 16 to 1. The first question is how do the silverites propose to keep gold in the country? How will they hinder the money dealers from buying the depreciated gold coin and transporting it abroad? That will and must happen, and the famous 16 to 1 will turn practically to 16 to 0. Instead of bimetallism with an artificially fixed ratio, we will be on a single silver standard with a debased currency. But let us suppose for a moment that the money dealers will turn angels, and leave the underrated gold in the country. The present market ratio of silver to gold is about 32 to 1. Where will the difference between the actual and fictitious ratio come from? Who has silver to sell? Who will be compelled to buy all the silver of the world, and pay for it a double price in gold? Who will be the gainer, and who the loser? To put these questions means to answer them. It is obvious that the gainer in the gigantic transaction will be the party that has silver to sell, and the loser the buying party. Who will be the sellers? The owners of silver mines. And the buyer—the government of the United States. The government is not a producer of commodities. It only consumes what it gets from the people in the shape of taxes in exchange for certain public services. The actual loser will be the people. If that is not obvious, I do not know what is.

The champions of silver try to convince the people that the price of silver will rise in case they win. But they forget that the increased demand for silver will stimulate the production of the practically inexhaustible mines and counteract successfully the tendency of the price of silver to rise. They forget the tendency of commodities in a mercantile society to flow irresistibly to the place of demand, just as water flows from the higher to the lower level. The quantity of silver is practically unlimited.

According to the assertions of the silverites, there is too little money in the country. But that is not true. There is plenty of money in the United States. The trouble is not in the quantity of money, but in the circulation. The money in circulation is the life of trade, not the idle, hoarded money. One dollar in rapid circulation is bound to do more good to trade than thousands of dollars hidden in a safe. Money that does not perform the function of money is practically dead to the world. The inflation of currency does not mean increase of the circulation of money, it means an increase of dead capital, dead money. Such an inflation can do good to nobody, and is bound to bring ruin to many. The quantity of dead money in the country is already beyond the desirable maximum, and shows an unhealthy condition of affairs. To increase it is folly. Artificial increase of the quantity of money in the country means increase in prices of commodities. If the quantity of money is doubled, the prices will double. That is a law of political economy.

What will be the effect on the level of prices in case of limited coinage of silver? Will the wages of the workingman rise accordingly? But will not at the same time the prices of commodities rise correspondingly? The toiler will suffer more than any other class of citizens under the unlimited coinage of silver.

The demagogues of the silver party call gold the money of the rich, silver the money of the poor. They think poor money is good enough for poor people. As a matter of fact, the producer, the workingman and the farmer depend a great deal more on the stability of money values, of money that under all circumstances represents a certain fixed sum. That gold is less subjected to fluctuation in value, more stable in price every fair minded man has to admit.

The silverites try to convince the people that debtors will profit when money is cheap. That is indeed a very cheap argument. Let us see who are the creditors who will lose in these transactions. The big money lenders, who lend money to the government will be able to defend their interests. You can rely on that. Controlling the money market of the world, they can easily enforce their terms by skillful financial operations, the efficiency of which may be equal if not greater than a great devastating war. But the small creditors, the depositors of money in the banks, the small investors in different commercial enterprises—they will be the losers. Will not their loss be the loss of the country, the loss of the people? Maybe the silver-producing states will profit by the opening of their mines? Even that is more than doubtful. Mining countries are, as a rule, poorer than agricultural ones, as Mexico, Bolivia, Peru and Siberia are poorer than European Russia, Germany and the United States. Only the owners of mines get rich, but, to the people in general, mining is one of the least profitable enterprises.

If the unlimited coinage of silver should be adopted in the United States, we would witness two periods, one of sudden powerful contraction of currency on account of the disappearance of gold from the country, and then a limited inflation of currency. But the temporary contraction and limited inflation would prove fatal to the finances and commerce of the country.

The creditors would demand their money paid in the old standard before the legislation of the unlimited coinage of silver. The depositors of banks would withdraw their money. Credit would be ruined, and with it all business transactions would have to come to a standstill. The silverites want to make the people believe that all the financial calamities of the last twenty years are due to the crime of demonetization of silver. They do not take into consideration any other powerful factors, as change of the transportation rates, increase of production, competition of foreign nations, the tremendous development of the mammoth industry and its disastrous consequences for the wage-worker. Indeed, there is not an argument of the silverites sound enough to stand the test of criticism. There is nothing in their argument but confusion of thought and wrong reasoning, cast in the shoddy garment of demagogic phrases. Even the term "Free silver" is intentionally misleading. It is chosen with the purpose to arouse the enthusiasm of the thoughtless crowd by the known charm of the sound of "Free." But, as we have seen, there is nothing free about free silver. If the unlimited coinage of silver should be called by its proper name, the champions of it would not be able to catch a fly with it. The poor, common laborer had no unlimited amount of silver to be coined. He is glad if he has enough bread and butter for himself and his family. He knows that he will not get any money without any compensation of some kind on his part. But he does not grasp the real meaning of the movement proclaimed with high sounding phrases. These high sounding phrases play the part of the spider web for catching yotes. But it is the duty of citizenship to tell to the people that unlimited coinage of silver means compulsion on the part of the owners of silver to make the people of the United States buy all the silver they offer for double its real price. Isador Ladoff.

Rev. S. L. Beal is usually enthusiastic when he makes up his mind that a cause is right, and enlists his services for its upbuilding. Rev. Mr. Beal is a member of the Brockton branch of the Social Democratic party, and lifts up his voice on all occasions in explaining and upholding the principles of Socialism. He has been heard at the various social gatherings of the branch, at their public meetings and elsewhere and is counted as one of the party workers who is doing very good work.

Over the door of a church in Arizona are these words: "This is the gate to heaven." And on the panel of the door is a notice which says: "Closed by order of the American Loan Co." The corporation foreclosed the mortgage which they held on the church and actually closed the "gate of heaven" to increase its profits.—Sierra Gazette.

Remember the Leaflets, 35c. per 100.

GRADUAL ADVANCE FROM UTOPIA TO SCIENCE

SOCIALISM AND COMMUNISM

That "Everything Belongs to Everybody in Common and Nothing Can Belong to Anybody in Particular," is Not Socialism.

The lines of demarcation between Socialism and communism are so little understood that in the general acceptance the terms are synonymous. The masses are led to believe that under Socialism there would be a state of "free-booting," or economic piracy by which a propertyless person could approach his neighbor and compel him to surrender one-half of his property on the theory that "Everything belongs to everybody in common, and nothing can belong to anybody in particular."

The introduction of Socialism would mean the extinction of selfishness, as we know it, and its attendant "offsprings," greed and avarice. Self would become subservient to the common interests of society as a whole.

While there may be some difference of opinion as to the manner in which an ideal Socialistic state may be brought about, there can be no doubt that Socialists agree that the existence of the present economic misery can be traced to the individual ownership of land and the economic means, viz.: of production and distribution, the change from individual to collective ownership, in this connection would effect the abolition of rent, interest, taxes, and speculative profits. Economic wages under the Socialistic order of things would include the promoters' profit, and it is in this particular that the Socialistic and communistic theories are fully in accord with each other. On the other hand, communism does not recognize individual capacities and capabilities, but argues that uniformity in this respect is the result of a training under proper conditions. The latter it is sought to accomplish through a novel system of education and adjustment of the conditions of labor.

While Socialism simply demands the ownership of the means of production, communism endeavors to regulate the consumption in accordance with the actual need of individuals, and does not consider the capacity, for production in individuals as the standard for distribution. There is a type of revolutionary Socialism that believes in applying forcible means in attaining its purpose; but the vast mass of Socialists are conservative enough to pin their faith to the evolutionary process, and the fact that the present corrupt economic manifestations are the result of the competitive system and its promoting accompaniments, that these are untenable and are gradually resolving themselves into the semblance of Socialistic order.

At the time of the Utopian speculative communism, it was held that men in their natural state were on an equal physical and intellectual footing. According to the theory of Babeuf, superiority in talent is the result of culture, i. e., artificial development. R. Owen, an Englishman, made several attempts to establish a practical demonstration of the theories of communism in erecting a cotton mill in New Lanark, and a communistic colony in America known as New Harmony. Both of these attempts were not as successful as Owen hoped to see them. In his work, entitled "A New View of Society," he advocated a system of production in which the producers delivered up their products to the community and received from it whatever it deemed necessary for their maintenance.

The transition from Utopian to scientific Socialism had its origin in the school of Henri De St. Simon, who based his views on the principle set forth by Adam Smith, in which the latter characterized labor as the source of all wealth. St. Simon carried out this theory to the extent of advocating that all classes of society, including the aristocracy, the bourgeoisie and the military, should be subordinate to the industrial class, who are continually supplying the material wants of life.

The value of St. Simon's teachings to Socialism consisted chiefly in his advocating an improvement of existing economic conditions, a theory wholly foreign to communistic views hitherto. Louis Blanc, in a very popular work published by him in 1841, advocates the abolition of free competition through the establishment of state enterprises which, owing to their superior facilities, would gradually absorb private enterprises. The most eminent communistic writer of France was Proudhon, who in one of the most popular of his works seeks to defend the proposition that "Property is Simply Robbery."

Karl Marx, the great German Socialist, in his work, "Capital," asserts that

the origin of capitalism exists in the fact that capital is enabled to profit by the productive activity of labor. If, for instance, it is necessary for a man to work six hours a day to secure a means of living, and he is required to perform six hours of additional work, he is actually working thirty-six hours every week for the capitalist who employs him. With the enhancement of the facilities of production the condition of the laborer becomes still more unfavorable. In 1848, in common with Engels, Marx issued a manifesto in which he urged the abolition of private ownership of real-estate and the right of inheritance, and sought an introduction of state ownership of the means of transportation, and a national credit system.

The conclusion to be drawn from this is that Socialism has gradually evolved into a logical science distinctive from communism, and that while Socialism and communism hold some principles which coincide, the former has eliminated the feature which has at all times been a most serious stumbling block to a successful application of communistic theories, that is, the radical extinction of individuality, and the stimulating influences resulting from freedom of action secured by it. While communism retains that part of the Swiss motto which is, "One for All," it fails to give to its followers the other part which, when properly translated is, "All for One."

R. O. Stoll.

Let's Boom It

All sorts of vagaries are passing current in this country as Socialism, and it should be the mission of the Social Democratic party to make as clear as possible what Scientific Socialism means.

Nothing, in the same space, does this so well as a pamphlet I have received from its author, Rev. Chas. H. Vail, pastor of a church in Jersey City, N. J. The title is: "The Industrial Evolution," and in its 34 pages I have found the most concise and interesting treatment of the historic basis of Socialism I have ever read.

To clear the confused minds and to start others right this pamphlet should be circulated by every member of the S. D. P. to the limit of his or her ability. The cost is five cents per copy. It is printed on good paper, and in my opinion the manner of treatment would be hard to improve on. Indisputable as to fact and irrefutable as to logic, it makes an ideal propaganda document. Let us boom it.

Chas. R. Martin.

Tiffin, Ohio.

Individual Initiative

We are taught that political freedom means a surrendering on the part of the individual of certain privileges in order that he may enjoy the advantages of being a shareholder or participant in the collective or united management of the Government. In the same way industrial freedom means a surrendering of certain privileges which some call "the right to individual enterprise" in order that he may enjoy the advantages of a collective or united management of industries.

In order to obtain political freedom, man surrendered the chance of ruling his fellow man by physical force. In order to secure industrial freedom he must surrender the chance of being able to rule his fellow man by superior business cunning. Just as our forefathers overthrew kings and substituted collective management of those things which kings had governed, so must the trust magnates, who are becoming oppressive, be dethroned and a collective management of those things which they now govern be substituted. For they govern as absolutely in certain lines as any monarch who ever reigned.

It may be that the establishment of the cooperative commonwealth will be brought about by revolution, or it may be the result of a gradual evolution, but it is bound to come, as the masses are gradually being educated in this direction and Socialism is growing with an irresistible force, and in three years more it will be the most prominent question before the American public.

E. Val. Putnam.

United Action at St. Louis

The Central Trades and Labor Union, the Central Bellamy Club and the Social Democratic Branches of St. Louis have got together for a big demonstration in the fall, at which Eugene V. Debs will be invited to speak on "Trusts, the Middle Class and the Wage Workers." One of the largest auditoriums in St. Louis will be engaged for the great union meeting. The committee of arrangements is as follows: From the Central Labor Union: Messrs. Dave Kreyling, John Goedeker, L. C. Cleaver; Central Bellamy Club: E. Val Putnam, Julius Friton, W. A. Hall; Social Democratic Branches: G. A. Hoehn, Frank Ujka, William Ruesche.

ABOLITION OF WAR AND THE STRUGGLE TO LIVE

WHEN WAR SHALL BE UNKNOWN

The Inauguration of Universal Peace Waits on Economic Freedom Through the Abolition of Private Ownership of Land and Capital.

At a time when the nations of the earth are represented in a peace conference, a few thoughts on the subject of war will not be out of place in The Herald. One would think that 1,800 years would be long enough for civilized countries to progress to that point where their differences would be settled without a brutal resort to force. But it is not so. The evolution of man is a wonderful and a complex thing. Our evolution from the barbaric state to our present one has been in progress for hundreds and hundreds of years and we are yet but little better than barbarians, running around with clubs in our hands seeking whom we may devour. About the only difference being, that we have merely changed weapons. Nevertheless we are progressing toward a higher plane, where men shall live in harmony, and brutal war shall be adjudged criminal and a violation of the law of civilization. To properly understand the position I take in relation to the subject under discussion, it becomes necessary to look back over the history of the past. From this history I shall attempt to glean some facts that will help to make clear why and when I expect war will be abolished and international arbitrations inaugurated. If we study carefully the conditions of the people a few centuries ago we will find that the people were divided into small groups or tribes, each one with their chief to lead them in their wars with each other. War was waged almost continuously at that time, every one was a warrior, and went constantly armed, for they were called upon to fight at a moment's notice. Some neighboring tribe would come upon them suddenly and they must be ready to resist the aggressions of the enemy.

For ages, this strife between clans and tribes was going on, every one serving as his own defender; but during this time some of these tribes were growing in size and power. Larger bodies were drawn together, and they became so powerful that the dim outlines of nations and empires could be seen on the horizon of the future. Then it became unnecessary for all to be soldiers. They found that a smaller number, well organized and disciplined was sufficient for their protection and they organized armies to carry on their wars. So, then, in a crude state were the standing armies of today brought into existence.

The people began to settle down to peaceful pursuits. Nations came into existence, each with their own customs, languages, laws and armies. Relieved from the burden of continuous warfare, they were able to develop their lands and their industries. Through all these hundreds of years, all nations have maintained their standing armies. Millions of dollars have been wasted annually in keeping these armies in readiness for war. The labor of millions of men and women have been wasted, in feeding and clothing these armies while they have been pursuing their unproductive vocation. Millions of lives have been sacrificed on the battlefield simply because the people had not progressed far enough in civilization to dwell in harmony and arbitrate their difference.

It has been said, that there is a reason for all things, and there must be some reason why all this has transpired as we have seen. It is perfectly natural to suppose that there is some particular thing to fight over when one people declare war against another.

What caused the wars of the past? As a Socialist I maintain that the private ownership of social property was, primarily the cause of all the strife of the past, and of the present. The tribes, in their wars, fought to get possession of the property of some other tribe. After nations and empires had taken the place of wandering bands and tribes, war was still waged for the same cause. One nation, thinking that it would be an advantage to them to get possession of the whole or part of the territory of some other nation, enters into dispute with them over it and the dispute culminates in war. To the victor belongs the spoils and the payment of tribute is enforced. The weak must pay tribute to the strong. All the nations of the world have in their national politics been actuated by the principle of individualism.

They have considered themselves as separate and distinct, with no connecting interest, with the other nations of the world. They have overlooked the fact that the people of all countries are creatures of the same mould, and that they should be one united brotherhood with

(Continued on page 4.)

