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EDITORIAL

## SENATOR ALDRICH'S BILL.

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**T**HE much advertised financial bill of Senator Aldrich of Rhode Island, to allow banks to issue \$500,000,000 bank notes, was launched in the Senate on the 10th instant. The speech covers many pages of the *Congressional Record*, and it took more than an hour in delivery. Senator Aldrich's bill may be classified under one of two titles—either “Greenbackism Redivivus”; or “Make Hay While the Sun Shines.”

Considered under the first aspect—“Greenbackism Redivivus”—the bill revives the leading economic errors of Greenbackism. The two principal errors of Greenbackism were—

First, Greenbackism imagined that the share of the working class in the good things of the country depends upon the quantity of the said good things. Money being a good thing, Greenbackism concluded that the more there was of it, all the larger would be the workers' share thereof. This is a crass error. The good things of the country have INCREASED phenomenally during the last generation, but phenomenal only is the DECREASE of the workers' holdings. The output of hats, shoes, clothing, etc., etc., has been vastly larger than before; the workers, however, got only a larger share of holes in their shoes, patches on their clothes, shabbiness in their hats, etc. The share of Labor in the output does not depend upon the size of the output; it depends upon the supply and the demand of Labor in the Labor Market. Capitalist production steadily increases the supply in excess of the demand. It increases the supply through the perfection of machinery and the consolidation of plants, whereby Labor is displaced, and it furthermore increases the supply through the ruination of the middle class, who thereby and their children are dumped into

the Labor Market. An ever increasing supply of Labor, in excess of the demand, lowers the price of Labor Power, which is wages. Accordingly, a larger output of money, or provisions for a larger output, can no more increase Labor's share than does the larger output of goods. Labor's share is a declining one. The cause of the declination is the circumstance that, under capitalism, or Aldrichism, Labor is a merchandise, and this fact flows from the circumstance that Labor is stripped of the capital necessary to work with. Labor's increase in the product of its toil depends, not upon the increase of that product, be it shoes or money, but upon its ownership of the machinery of production.

The second error of Greenbackism was the notion that upon the volume of money depends the briskness of trade. It is exactly the opposite: the briskness of trade determines the volume of money necessary in circulation. When trade is so brisk that, say, a hundred one-dollar transactions occur within a certain time, then one \$1-bill would be all the circulating medium needed. When, on the contrary, trade slackens so that the same number of one-dollar transactions consume a hundred-fold more time, then one hundred \$1-bills would be needed. If business is brisk, ninety-nine of the one hundred \$1-bills would lie idle. Accordingly, all endeavors to promote trade or avoid crises by raising the supply of money fail in their ostensible purpose. The only end they fill is to gorge with cash the already over-gorged capitalist class, who would then spend the increase in debauching the Nation with "Little Egypts."

This brings the consideration of Senator Aldrich's bill under its alternative title of "Make Hay While the Sun Shines."

The Senator admitted that the industrial conditions looked gloomy for the future. He admitted that his plan would not remedy the evil immediately. It would remedy things eventually, if not later. In the meantime, the capitalists, now in possession of the banks, would make a tremendous amount of hay while the sun of the crisis was shining and was offering to the Aldriches the opportunity that all quacks enjoy, seeing that, as Huxley and Youmans put it: "It is notorious that in proportion to people's ignorance of their own conditions and the true causes of disease is the credulous confidence in pills, potions, and quackish absurdities."

It is no wonder that, while Aldrich spoke, the galleries were filled with crowds of bankers, J. Pierpont Morgan among the lot, who “listened attentively and appreciatively.” They must have had hard work to refrain from applauding, long, loudly and prolongedly.

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