

# DAILY PEOPLE

VOL. 7, NO. 208.

NEW YORK, THURSDAY, JANUARY 24, 1907.

ONE CENT.

EDITORIAL

## LAURENS CALL'S PREGNANT REASONING.

By DANIEL DE LEON

**T**HE letter of Henry Laurens Call to Frank Bohn, the National Secretary of the Socialist Labor Party, published elsewhere in this issue, is an economic document of prime value.<sup>1</sup> As Voltaire said of Montesquieu that the latter's genius was instructive throughout, instructive, not only in that in which he was right, but instructive also in that in which he erred, the statistical reasoning of Mr. Laurens Call is highly instructive, instructive both in that in which he is sound and that in which his words are defective.

Mr. Laurens Call has aroused the ire of the plutocracy for the estimate on his part that "ONE PER CENT. of the population of the United States now own practically NINETY PER CENT. of the entire wealth of the nation." Editorials, letters to papers, essays of various sizes, and allusions innumerable in the course of speeches have appeared in opposition to Mr. Laurens Call's estimate. It will have been noted that in all these instances the attack is directed, not against the estimate, primarily, but against the method of arriving at it. The assailants do not proceed upon their own lines, and furnish a different estimate. Their position amounts to this—the estimate is correct provided the reasoning by which it is arrived at is correct also. They attack the reasoning. What is that reasoning?

Laurens Call reasons that the stocks of the corporations are expected to draw dividends, and that, as such they constitute an indebtedness "on the part of the public" to the owners of the same. He goes over the same ground a second time, reasoning that the property which these stocks are a certificate of title to are power given the corporations to tax the public upon all its products, supplies and public services. From these premises the first conclusion arrived at is that these stocks, or "securities," constitute in fact a first lien, or "blanket mortgage" upon all the

---

<sup>1</sup> [To be appended at a future date.—R.B.]

property of the nation, to the extent that, not until this incumbrance is lifted can “the farmer or other citizen” be said, in any true sense to own his farm, home or other property. It is from this preliminary conclusion that Laurens Call arrives at the final one which forms the thesis of his paper—ONE PER CENT. of the population now own NINETY PER CENT. of the entire wealth of the nation.

The reasoning is correct, the only hook upon which assailants can and do hang an argument is a hook furnished by a certain unscientific use of terms that Laurens Call incurs, and which Socialist science warns honorable economists against. The terms are “the public,” “the citizen,” etc.

Political economy knows no “public,” or “citizen.” It only knows “classes.” No hard and fast definition is possible of the “classes”—any more than such a definition is possible in biology with regard to the animal and the vegetal kingdom. And yet, not because there is a point where the line is undistinguishable can it be denied that the elephant is an animal, the oak tree a vegetal. Likewise with the classes. They shade into each other; the shading produces “the public” in the eyes of the unguarded. The scientist is not misled. He recognizes the “blanket mortgage-holding” class and the “blanket mortgaged” class—the capitalist class and the working class. It matters not whether the “mortgage,” held by the Gas Trust, recently investigated and proved to draw huge dividends on stock four times watered, places under contribution the Ice Trust, recently also investigated and proved to draw huge dividends on stocks two-thirds watered. That does not matter in estimating the magnitude of the “blanket mortgage” holder. The fact is that in these instances the proceeds of the “blanket mortgage” fall wholly into the hands of a blanket mortgage-holding class—the CAPITALIST CLASS; while there is a class, the WORKING CLASS, into whose hands in no instance does one copper of the proceeds of the blanket mortgage drop. That class is wholly “blanket mortgaged.”

Had Laurens Call placed himself upon the scientific Socialist plane of terminology his position would be unassailable. As it is now, the looseness of his terminology affords the Pindars of capitalism their chance to resort to their usual tactics, the tactics of blurring the issue, by showing the interchangeableness of liabilities, by pointing to trifling instances where everybody seems to be mortgagor as well as mortgagee, and thereby setting up the claim that there is no “debtor” and

no “creditor” class—an old dodge.

It is not the least valuable part of Laurens Call's contribution to the great economic issue of the day, that the negligence of his terminology affords the opportunity to refute and confute his assailants, and to sustain his pregnant claim that only one per cent. of our population now own ninety per cent. of the entire wealth of the land—in other words that the capitalist class has reduced the nation to a state of plutocratic feudal serfdom, which calls for the revolution that shall overthrow this latest form of servitude.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.  
Uploaded August 2009

[slpns@slp.org](mailto:slpns@slp.org)