

Daniel De Leon

Editorial: Hoisted By Their Own Petard

Coin's Financial School, a Populist fiat money publication, has set all goldbugdom howling. In watching the contortions of these gentry one cannot suppress a smile of satisfaction. The reason why they howl is that they are hoisted by their own petard, and that to refute *Coin* they are bound to drop their capitalist and ridiculous "philosophy" that it is utility, and not labor, that imparts value to goods.

Socialism maintains with irrefutable proof that the value of commodities depends upon the amount of human labor crystallized in and socially needed to reproduce them. This is the rock on which Socialism is built. It knocks from under the idler all false pretenses to exist; it tears the flimsy cobweb tissue out of which are woven the "wages of abstinence," "original accumulation," "wages of superintendence" and all other pharisaic myths by which capitalist philosophy (God help the mark!) seeks to justify the redundancy, the superfluosness, the mischievousness of the capitalist class. From it, furthermore, follows, as day follows night, that the private ownership of the means of production is bound to concentrate all wealth in the hands of a few and to reduce the masses to pauperism and slavery, and, finally, that the path to salvation lies in Socialism. No wonder that capitalists, together with their hired professors, parsons and editors, give a wide berth to such an economic and social principle. To escape it they have set up the theory that utility, and not labor, is the value-imparting element in commodities, and under these false

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colors they have been sailing with more or less smoothness until they now strike the fiat money snag.

If utility, and not labor, is the value-imparting element in commodities, then fiat money is no craze. If fiat money is a craze, the fact can be proved only by the Socialist principle of values. Thus the goldbug capitalists are caught between the devil and the deep blue sea. They must either stick to their “utility” farce—and then the fiatists are on top—or they must give up the “utility” farce—then they yield the palm and therewith all intellectual basis to Socialism.

The sorry plight of the goldbugites is amusing. It is encouraging besides. He who seeks to kill by the sword, let him die by the sword. He who seeks to serve himself by humbug, let him be caught by the network of humbug.

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*A De Leon editorial transcribed and edited by Robert Bills for the
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