The ‘Best of All Possible Systems’

By Daniel De Leon

The petition in bankruptcy brought by Waterbury and others against Coolidge and Stowe of the suspended stock exchange house of W.L. Stowe & Co., calls attention to, and illuminates one of the false claims often made in support of the capitalist system. The claim is that this social system is beautiful in its guarantee of safety and security to the individual citizen. In exemplification of this claim, the defenders of capitalism point to the fortunes, the pinnacles of success, accumulated by their model citizens. The inference is drawn that capitalism affords complete protection to the individual in his possession of the accumulated fruits of his effort and ability, and that thereby is guaranteed to the individual the greatest possible safety and security.

The Stowe & Co. bankruptcy proceedings and the results that will follow in their wake serve to illustrate the utter insecurity that obtains under capitalism. Whether Coolidge and Stowe, the members composing the firm, have actually gone bankrupt in the dealings of Stowe & Co., or whether they have committed fraud, we do not know; and, if they are bankrupt, whether that condition is due to acts of their own, or resulted from the failure of some of their debtors, is a matter we cannot inquire into. Beginning, however, with the knowledge of Stowe & Co. going into bankruptcy, we may watch from this point a wave of property losses sweeping over those who are not responsible for, and who could not by any possible movement of theirs have protected themselves from those losses. Waterbury's claim against Stowe & Co. is $125,839. He, and each of the other depositors, loses and loses heavily, all through no fault of their own. As a result of these losses many of these claimants, no doubt, will themselves become insolvent, involving, in turn, their creditors in losses and failures. Thus the capitalist system leaves every individual property owner broadly exposed to losses he cannot possibly ward off. Under capitalism we have “communism of loss.”

Due to its very largeness, modern property cannot be personally possessed and taken care of by the owner, as the Indian possessed and took care of his bow and arrows, nor even possessed as the civilized wealth producer possessed his small shop a few decades ago. Modern property is possessed by the possession of a title to it, in the shape of
stocks, bonds, certificates of bank deposit, bills receivable, etc. Out of
this system of ownership (a system unavoidable if modern institutions
are to be owned at all in private), there arises an insecurity that is
inescapable. The failure of any considerable business concern sets in
motion a succession of losses and failures; creditors, and the creditors
of creditors, tier after tier, they fall like bricks in a row. A system under
which one's possessions would be more exposed can hardly be imag-
ined. And this situation, precarious as it is, is aggravated and its evils
increased a hundredfold by the fact that when one is despoiled of his
property under capitalism he is thereby thrown into wage slavery, with
hardly a possibility of ever again being possessed of more than a mea-
ger living, though bound to incessant toil. So far from guaranteeing
security to the individual, it is seen that capitalism menaces all with
constant danger, and is continuously putting many upon the rack.

One may have great wealth. That cannot make his condition secure.
He may lose it, and to lose it under capitalism is irrecoverable disaster.
Socialism only can afford security to the individual, for security rests
not mainly upon the protection afforded the individual in the posses-
sion of what he has. Security can flow only from the establishment of a
social system under which work will produce wealth for the worker.

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Socialist Labor Party