
A Bankrupt World

by Eugene V. Debs

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A Boston financier has recently declared that the "World is bankrupt;" that is to say, the world can't pay its debts. In this case the "World" stands for the inhabitants of the world — the people — therefore this: the people owe the people more than the people can pay. Or, A owes A more than A can pay. The Boston financier might have said, with equal propriety, "I owe myself more than I can pay myself, and as a result, I am bankrupt."

But the Boston financier, after saying the "World is bankrupt," asks, "Where is the government, the bank, or the man who has enough money to pay his or her debts?"

The assertion that the "World is bankrupt" and the question relating to the ability of governments, banks, and men to pay their debts creates confusion. Leaving out all reference to banks and men, if the question included only governments — the declaration that the world is bankrupt necessarily involves the conclusion that governments are also bankrupt — both of which are sheer fallacies.

A contemporary, in commenting upon the Boston financier's propositions, remarks that "Aside from paper and token currency, which is part of the debts of the world, the actual amount of money in the world probably does not exceed \$10 billion all told, while the national debts alone in the principal countries amount to at least \$23 billion, and the debts of states, municipalities, corporations, and individual firms, including banks, can hardly be less than that of nations, and is probably greater." Accepting this as true, or approximately true, the debts of the world would amount to \$46 billion. Deducting \$10 billion cash, and the debt would be \$36 billion. Bearing in mind that the debt of the world, less cash on hand, is \$36 billion, we are told that the "world is not bankrupt so long as assets are in excess of its liabilities. That they are enormously in excess may not be doubted for a moment. The realized wealth in this country in 1880 was about

\$48 billion, or 60 percent more than it was in 1870. If the rate of increase was only half as great during the last decade as it was during the preceding one the total must now be at least \$62 billion. The debts probably do not exceed \$12 billion, so the country is worth fully \$50 billion clear over and above all debts, and would be if the debts were all owed to foreigners, as they are not.”

Here then, we have the statement that the United States has sufficient wealth, or assets, to pay the debt of the world, \$36 billion, and have a remainder of \$14 billion. Upon the principle that money or wealth, or assets, “talk,” the United States must be preeminently a talking nation, and as a corollary, the man who has the most money, or wealth, is the most commanding talker, if not the most convincing.

There can be no mistake about the overwhelming power of money-talk. We have daily illustrations of the fact. Colonel Ingersoll talks, and the world shouts or laughs or moans, as the great magician sweeps the chords of human passions by his matchless eloquence. Like the storm-god, riding on old ocean’s foam-crested billows, Ingersoll lashes the thought of great communities into yeasty waves. The spray mounts high, as at Niagara, bearing away rainbow-fancies of thrilling beauty, pictures that live forever in the memory. But, Jay Gould talks and lo! \$40 million becomes \$90 million. It is a miracle of stupendous proportions, and a poor deluded world, with an eagerness which defies hyperbole, thrusts its hands into its pockets and pays dividends on water. Jay Gould talks, and \$19 million dollars suddenly take up the line of march in Indian file to a “lock up,” like Sioux hostiles to the “badlands,” and as the last dollar goes in and closes the door it shouts, “Panic!” and at once confusion reigns supreme and Mr. Gould takes many scalps, much wool, and other plunder — certainly money talks.

There have been times when misery talked, and “history repeats itself,” so say the sages, and should it ever talk in the United States, would it talk French? Who knows?

But returning to the Boston financier’s fallacy, that the world owes more than it can pay. We have the profound declaration that the people owe the people more than the people can pay. The world is the people and the people are the world. When France owed Germany a vast sum of money, the French people paid it. Now France owes France. As a proposition there can be no greater delusion than to assert the bankruptcy of the world. It may owe more than it can pay for

sunshine and moonshine and starlight — a debt of gratitude to high heaven, demanding for its liquidation obedience to heaven's command; otherwise, it is not insolvent, and if it were, one tear of contrition obliterates all the entries in the book of the recording angel.

But the proposition that the world is bankrupt is entitled to consideration the moment the people are divided into nations and classes. There is, as between nations and individuals, everlastingly what is termed in commercial circles a "balance of trade" — to obtain the equipoise is what keeps the wheels of commerce revolving. To collect, to arbitrate, to "sue and be sued" is the great business of the world, and is as common among savages as where the full orb'd sun of civilization shines. The only difference is in methods.

And here the question comes stalking to the front, who owes? The answer is: labor. It is not true. Labor owes no one, and yet it pays all debts — has paid them from the foundation of time, is paying them now, and will pay them till the angel, with one foot on the land and the other on the sea, proclaims that time shall be no more.

There was a time when we heard much of the "Seven Wonders of the World" — the Pyramids of Egypt; the Pharos of Alexander; the Walls and Hanging Gardens of Babylon; the Temple of Diana at Ephesus; the State of Jupiter; the Mausoleum of Artemisia; and the Colossus of Rhodes — all monuments erected by workingmen, of which all perished, save the Pyramids of Egypt. The seven wonders of the world have multiplied by many millions, and the age in which we live is more prolific of them than any other age since the foundations of the Pharos were laid. Workingmen have built them and perished in the building as do the coral insects, which lay the foundations of continents. But workingmen were never paid, nor half-paid.

Taking this view of the subject, the world has been bankrupt from the day that Cain, with a murder mark upon him, fled to the wilderness and built a city. If the stars and the sands upon the seashore and the leaves of the forest represented doubloons and were added and multiplied until only the infinite builder could comprehend the sum total, it would not cancel the debt the princely pirates of the world have owed and now owe the workers. Manifestly, the world is bankrupt, insolvent, and workingmen are the creditors, and the sufferers.

But, says the authority from which we have quoted, the United States could pay its debts and have a surplus of \$50 billion. If the statement is true, every dollar of the vast sum represents the surplus wealth labor has created and which has been taken by, say, 200,000 of

the population of the country, leaving 62,800,000 to wonder by what methods the few have secured it all.

The same authority estimates the indebtedness of the United States at \$12 billion. At the mention of the fact, another fact springs into prominence. The \$12 billion of indebtedness is on interest at, say, 6 percent or \$720 million a year. Who pays the interest? Labor. Stop work and not one cent of interest would be paid. The annual revenue required to keep the machinery of the United States in operation easily duplicates the interest account, and hence when the merry bells tell a new year is born workingmen may say, "there is a sum total of \$1.14 billion of interest and revenue to be deducted from our labor this year, and the outlook is gloomy, no fair division can be anticipated; the sharks are after us," and then they inquire, "must this robbery go on forever?"

As the question goes round, there are symptoms of resistance. It takes the form of organization — of federation — and hope revives. Prophets say a better day is coming, that Christ is coming. We think so, if men are true to themselves, and are not bankrupt in courage, bankrupt in *spine* and independence. The world is dead without work. Only work vitalizes the world, and work is not bankrupt. It is self-supporting and creates a surplus. Shall it have enough of the surplus to live decently? Hitherto there has never been a fair divide. Shall the future tell a different story? If workingmen will it, then their redemption draweth nigh; if not, they will wear the badge of slaves till the day that the Judgement Books unfold.

Edited by Tim Davenport

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