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EDITORIAL

WEALTH DIFFUSION THROUGH STOCKS.

By DANIEL DE LEON

THERE is a theory afloat which asserts that though wealth is concentrated in corporations its ownership is diffused by means of the stocks of these corporations, which are purchased by small holders. This theory is traveling a very rocky road at the present time, much to the discomfiture of its already badly shattered health. A financial newspaper arises to ask "Who holds the stocks?" and in answering the question, it reverses the theory.

This newspaper begins by tracing the change in the distribution of holdings since last spring and summer, and it finds that more than \$200,000,000 in securities have been absorbed by trust companies and national banks. As is well known, the financial institutions of this country are owned and controlled by "the high financiers," the ultra-capitalists of the country, i.e., the Rockefellers, Morgans, etc. who use them to finance industrial enterprises and thereby secure industrial supremacy. In other words, this financial newspaper makes clear that, instead of promoting the diffusion of wealth, stockholding facilitates its absorption and concentration. A will-o'-the-wisp which beckons the middle class to fortunes which always elude them, and an imposition to which the working class must often submit, as in the case of the Steel Trust, small stockholding becomes a means by which the smaller particles of wealth are forced to coalesce with the larger under capitalist ownership and control.

The basic principle and mechanism of capitalism are such, viz., the exploitation on an ever larger scale of the social means of production and distribution by private ownership, that wealth diffusion is not only antagonistic to its existence, but impossible of attainment. All things flow to concentrated capitalism by virtue of its needs and its conditions. Only under Socialism, where every man will receive what he produces, instead of giving up the major part of it to the high financier, will

wealth diffusion truly exist!

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