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EDITORIAL

WHAT ARE THE FACTS?

By DANIEL DE LEON

A TWELVE-PAGE leaflet, neatly printed and illustrated on gently blushing pink paper, reached this office, and now lies spread upon the editorial desk. The leaflet is entitled, "What are the Facts?" It is an answer to, an attempt to meet, the swelling outcry against the exploitation of Labor by Capital. The leaflet takes up the railroad industry in particular, and arrives at the conclusion that Capital is a much abused Innocent, whereas Labor is a grasping greedy sponge that absorbs the swag. This culminating conclusion is put in figures, this wise:

Share of Labor	40.8 per cent.
Share of Capital	23.4 per cent.

Providentially there is a fatality that pursues the liar. He does not know when to stop. Driven by the momentum of mendacity he will lie on. Thus he gets himself all tangled up, and throttles himself. It so happens with our gently blushing pink paper leaflet. It does not content itself with the 40.8 per cent. statement regarding Labor's chunk, and the 23.4 per cent. statement regarding Capital's pittance in the railroad industry: it proceeds to talk on: the further figures that it presents throttle the initial lie.

The leaflet presents the following tables of figures:

Gross earnings	\$1,900,846,907;
Running expenses	632,126,957;
Wages paid	775,321,415;
Profit	493,398,535.

This set of figures, one should say, is a sufficient “give away.” The figures tell that the seeming “pittance” of 23.4 per cent. admittedly pocketed by the capitalists in the railway industry is nothing less than the huge sum of nearly \$500,000,000—a rather steep figure for a job lot of idlers, in whose behalf sympathy is to be enlisted. But, still driven by the law of its own motion, our leaflet blabbers on, and furnishes additional tables specifying the items under “running expenses” and “wages.” Even a cursory glance over these two tables tells that they are padded.

On the table of “wages paid” figure these two items:

General officers	\$13,244,121
Other officers	10,010,099.

By what process of reasoning are the tall salaries that “general” and “other” officers—all of whom are stockholders—pay to themselves, dumped upon the table of “wages paid”? It is by virtue of their being stockholders, or the close kin of stockholders, that these gentlemen are “general” and “other” officers. Their salaries are but dividends in disguise, which they cheat their fellow-stockholders of by the approved methods that the investigation of the directors of insurance companies is just now revealing. They perform no useful labor. The roads are operated from top to bottom by the wage-slave employes. Obviously, these “general” and “other” officers do not belong under the category of “employes,” nor their additional plunder, yclept “earnings,” under the category of “wages.” On the same table, some more “wages” to “general” and “other” officers are artfully smuggled under the lump sum of \$18,000,000 wages paid but “undistributed” on one road. It is fair to presume that the percentage of the “wages paid” to the “general” and “other” officers on that one road is the same as on the others. On the others it is 3.15. Consequently the sum of \$567,000 should be deducted from the lump sum of \$18,000,000, as not belonging under the category of “wages paid,” but properly belonging under the category of “profits pocketed.” All told, there is, accordingly, a padding of the table of “wages paid” amounting to \$23,821,220, and the padding is done at the expense of the “profits pocketed.” Making the corrections so far discovered to be necessary, the first

table must be amended to read:

Gross earnings	\$1,900,846,907;
Running expenses	632,126,957;
Wages paid	751,500,195;
Profit	517,219,755.

The profits are rising; the wages paid sinking proportionally. But the former has not yet reached its proper magnitude. What that should be will appear from a scrutiny of the table giving the itemized “running expenses.” On this table are found a bunch of curious items, several of them positively fishy—“hire of equipment” (\$20,253,945), “rents of tracks, yards and terminals” (\$19,375,696), “rents of buildings and other property” (\$5,151,803), “taxes” (\$57,849,569), “miscellaneous deductions” (\$44,681,341), “miscellaneous(?) expenses” (\$81,791,765), “law(?) expenses” (\$6,783,692), “advertising” (\$5,376,368). Are these outlays properly chargeable to “running expenses”; least ways as a justification of capitalism, and an argument against the contention of Socialism? The capitalist has a way of lowering his profits “on paper” that is charming to watch. If he makes \$100 profits, he says: “Nay, it is not \$100!” And he proceeds to “prove” his claim by putting \$40 in a vest pocket labelled “Landlord,” \$10 in a hip pocket labelled “Banker,” \$15 in an inside coat pocket labelled “Legislature miscellany,” \$20 in an inside vest pocket labelled “Sundries,” \$10 in a trousers pocket labelled “Taxes.” And then he makes a poor mouth and says: “You see, I only made a measely \$5!” For what reason our capitalist stops there is a mystery. As well may he charge to “running expenses” the keep of his concubines, the cost of his “French dinners,” his rum and gambling bills, etc., show a deficit, and maintain that an anchorite monk is not a circumstance to him in point of abnegation and of self sacrifice to keep up society. But what the capitalist pretends does not change facts. All these items—concubines, dinners and drunks—may be very necessary to run the holy capitalist, they surely are not requisite to run the industries—no more are “taxes,” “rent,” “interest,” “advertising,” “law expenses,” or “miscellanies,” which anyhow run mainly into the pockets of the capitalist class. Moreover, what these items really purport may be

gathered from the scandals that are being unearthed just now by the investigation of the life insurance companies, where directors are seen to sell and buy land to and from themselves; where they charge \$20,000 at a clip for legal advice given by themselves to themselves; where they raise loans from themselves; where they build syndicates to speculate with syndicates of other names composed of themselves; where they “borrow” money to protect banks of which they are themselves directors; where they disburse moneys to carry political elections; where they “pay out wages” to employes that are dead and gone; etc.; etc.; etc. Not one of the items enumerated above and found entered on the table of “running expenses” belongs there: none can with propriety be used towards justifying capitalist society: they only serve to aggravate the offense: all are masked items of profit, and belong under that head. These items foot up a grand total of \$168,264,179: the amount must be deducted from the item of legitimate expenses, and added to that of profit. Making the correction accordingly, the original table presents the following finally amended aspect:

Gross earnings	\$1,900,846,907
Running expenses	463,862,778
Wages paid	757,500,195
Profit	685,483,934

And thus, even allowing a considerable number of items to stand as “running expenses” and others as “wages paid,” all of which, if looked into by investigation committees would in all certainty have to be transferred to the table of profits and many of which should be taken cognizance of by District Attorneys,—even so, the following would be nearer the fact:

Share of Labor	39.8 per cent.
Plunder by Capital	36.0 per cent.

In other words, the most favorable showing possible leaves below \$1,000 a year for the average workingman of the hundreds of thousands who produce a surplus

value of at least \$685,483,934—all of which is appropriated by the Idle Class.

No wonder railroad accidents are on the increase; no wonder the life of the railroader is short; no wonder the mutilation of his limbs is an everyday occurrence; no wonder, either, that, at the other end of the line, the Consuelo Vanderbilts, the Anna Goulds, the Morgans and Hills lead lives of perpetual orgies; nor is it any wonder that the paper, on which the affluence of the employes and the modesty of the employers in the railroad industry are presented, blushes pink—the only wonder is that it does not blush purple at the falsehood that it is made to carry!

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