

EDITORIAL

LABOR'S SHARE.

By DANIEL DE LEON

The *Ticker*, a Wall Street monthly, publishes a graphic diagram to show what a "very serious" position railroad stock-holders are in, due to the fact that the roads pay 41 per cent. of their gross earnings for labor and only 7 $\frac{1}{4}$ per cent. for dividends.

At first blush it looks as if the diagram were a complete knock-out to the Socialist contention that through the private ownership of industry labor is exploited of four-fifths of what it produces. Here is labor receiving nearly six times as much as capital. How's that?

A little closer study will dispel the illusion.

The diagram consists of a circle divided into radial segments of varying size, according to the item they represent. They are, Labor, 41.00 per cent.; Fuel and oil, 8.60 per cent.; Taxes, 3.72; Interest on Funded debt, 13.30; Dividends, 7.23; Rentals of leased lines, 4.84; Betterments, reserves and sundries, 4.25; Surplus and deficits, 2.88; Damages and injuries, 2.37; Hire and rent of equipment and buildings, 2.30; and Materials for equipments, structures and supplies, 9.24; total 99.73 per cent., leaving a residuum of 27/100ths of 1 per cent. unaccounted for.

Now the mystery begins to look clearer. Assuming for the time being that the figures are correct, Labor gets 41 per cent., in the first item. Long and diligent search fails to reveal any other item which falls to Labor's side of the account.

Fuel and oil 8.60 per cent., does not go to the employes of the road. It is a payment of one capitalist concern to another. Indeed, in the case of the coal carrying roads like the Pennsylvania and the Lehigh Valley, it is only a payment from one department of the road to another; it never goes outside of the concern.

Taxes, 3.72, per cent. The claim that this went to Labor would be too absurd for even the most desperate capitalist retainer to make. Accordingly it must go,

together with the Fuel and oil account, onto capital's side of balance.

Interest on funded debt, 13.30 per cent.—another payment wholly within the capitalist circle; perhaps, in these days of involved incorporations, from one pocket to another of the same director.

Dividends, 7.23 per cent. This is granted at the outset by *The Ticker* to go to capital's share. Let it, then, join these, the previous item.

Rentals of leased lines, 4.84 per cent. No workingman has railroad lines to lease. Hence this figure, too, must be sent to swell the capitalist column.

Betterments, reserves and sundries, 4.25 per cent. The 4.25 per cent. allotted to these again comprise payments from the roads to other capitalists, manufacturers and the like.

Surplus and deficits, 2.88 per cent.—a purely internal bit of financing. It never gets near the pay-car.

Damages and injuries, 2.37 per cent. The vast majority of disbursements under this head go to passengers, not to employes. In the cases when they do go to trainmen, they in no sense represent payment for labor, but for blood and bone, something over and above his labor power which the employer exacts from the workman.

Hire and rent of equipment and buildings, 2.30 per cent. Once more this is a transaction between capitalists of one stripe and those of another. No workingman figures in it.

Materials for equipments, structures and supplies, 9.24 per cent. This, the final item, fits in the same category with all the others but the first, the category of money movements within the capitalist class itself.

There is thus a total on the capitalist side of the account of 58.73 per cent. Throwing in for generosity the unaccounted-for .27 per cent. to labor's side, it gives the workingman a total of only 41.27 per cent. In other words, taking the railroads at their own word, the apparent 600 per cent. preponderance of payments to Labor as against payments to capital has shrunk to about 66 per cent.

All this, however, is on the assumption that the railroads' figures are correct. The recent revelations in the New York street railway probe, showing \$8,000 corruption fund contributions carried on the books as payments in damage suits,

show how much credence is to be placed in a capitalist's figures except against himself. Were the true state of affairs known, the railroad workers would be seen to be exploited, like all other workers, of a full four-fifths of their product.

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