

EDITORIAL

THE RAILROAD MOLOCH, II.

By DANIEL DE LEON

THE speech delivered by Depew on Railroad Day in Buffalo, and reproduced in full last week in these columns, offered the opportunity for an article in which it was shown from Depew's own words, coupled with certain experiences, that the privately owned railroad was subversive of freedom in that it ruled, economically and politically, a vast part of the population. Depew's speech furnishes the material to also prove that the railroad magnates of the country actually live on the marrow of the railroad employes, giving back to these in the shape of wages but a small fraction of the wealth they produce, the lion's share being plundered by the railroad capitalists.

Depew said:

“The gross earnings of the railroads of the United States in 1900 was \$1,487,000,000. Of this \$577,000,000 went for labor directly on the pay roll; material and supplies, which are mainly labor; rentals, interest, and taxes absorbed all the rest of the \$910,000,000 earnings, except \$118,000,000 to the stockholders. To make this situation more clearly understood, of every \$100 earned by the railroad \$39 go directly to the employes of the company, \$27 go for supplies—which is labor—\$23 go for interest on indebtedness and rentals of other people's and city properties, \$3 are paid in taxes, and \$8 go to the stockholders.”

These figures tell the grewsome tale to whomsoever knows who it is that receives the \$23 “interest on indebtedness and rentals” and the \$27 for “supplies” out of every \$100 earned by the railroad, and also for whose benefit the \$3, out of every \$100 earned, are spent in taxes.

1. As to “interests on indebtedness and rentals,” the interest is paid to the identical railroad magnates who loan themselves money and charge the road for it; while the rent, whether on railroad lines or actual real estate, is mainly of the same nature.

2. As to “supplies” hardly a railroad magnate but holds stock, usually

controlling stock, in the leading industries that furnish the supplies—mines, car factories, rail, etc. Accordingly the item of “supplies” does not go to “labor;” it goes directly and mainly into the pockets of the identical railroad magnates.

In view of this fact the equation (taking Depew’s own figures) now stand:

Every \$100 produced by Labor on the railroads is divided as follows:

To Labor	\$39
To Capital	58
To Taxes	3
Total	\$100

But even this does not yet tell the whole tale. To whom must the \$3 taxes be credited? Who pays them? And for whose benefit?

The \$3 taxes come out of the \$100 produced by Labor; but that \$3 never touches the hand of Labor. Whether the taxes be \$3 or \$20, that portion of the \$100 produced by Labor that Labor receives remains unaffected. That \$3 falls into, and reappears as “taxes” out of the \$61 of Labor’s produce, that Labor is plundered of anyhow. And the \$3 is invested by the capitalist plunderer in that portion of the machinery of government that is intended to protect the capitalist in the possession of his stolen goods. Accordingly the equation now stands:

To Capital	\$61
To Labor	39
Total of Labor’s Product	\$100

This would be quite a gruesome enough showing. Considering the huge number of workmen mutilated and killed in the service of the railroads, i.e., in the production of that \$100, the \$39 that Labor receives is an insulting and intolerable enough pittance, while the \$61 that the idle capitalist pockets is a plunder, gigantic and blood-stained. But the case is worse yet. The \$39 is an inflated figure. In them are included the \$50,000 a year salaries of the Depews of the roads; the \$25,000, the \$20,000, the \$10,000 a year figure heads, whose salaries are collected, not in reward of Labor performed (these gentlemen perform no useful labor), but by virtue of the stock they hold, or their patrons hold in the railroad companies. It is safe, under this head to deduct \$9.

The equation then stands:

To the idle Capitalist	\$70
------------------------------	------

To the Workers	30
Total produced by the Workers	\$100

* * *

The capitalists are great at sleights of hand. By the sleight of hand of dividing the plunder that they levy on the workers into “interest,” “rentals,” “supplies,” “taxes,” etc., they make their share appear trifling, “only \$8 dividends”! And to perform even this trick they must indulge in the sleight of hand of padding the payroll with items wholly illegitimate. Not \$8, out of every \$100 produced by the railroadmen, is the “reward” of capital; the idle capitalist has leisure enough to scheme to keep, and to succeed in the scheme of keeping, fully \$70 out every \$100 that Labor produces at the risk of life and limb, and with the sacrifice of life of limb.

* * *

Depew’s figures and the manner he presents them doubly condemn the capitalist system: they condemn it of plunder; they condemn it of swindle.

No wonder the railroad magnates are equally divided between Shepard and Low in this municipal campaign in New York; and are united in suppressing to the best of their power all information on the Socialist Labor Party, and the education that the Party is spreading.

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

Uploaded July 2006