

DAILY PEOPLE

VOL. 12, NO. 97.

NEW YORK, THURSDAY, OCTOBER 5, 1911.

ONE CENT.

EDITORIAL

PRESIDENT MELLEN'S DILEMMA.

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THE collections of Mother Goose rhymes that go under the name of "Political Economy," issued by bourgeois agencies, contain no rhyme more charming than that about the theory of the "Wages Fund"—a rhyme that railroad reports and railroad-controlled editorials are now illuminating in singular fashion.

According to the Wages Fund theory the workingman who demands higher wages is simply a lump of arithmetical irrationality. The fund from which wages are to be drawn being, according to the theory, a fixed one, and by Nature and Nature's God determined, the share therein of each workingman is equally fixed. For any one workingman to want more, must mean correspondingly less for others: for all to expect more is as irrational as for 4 men each to demand one-half of the apple.

Besides the quality of arithmetical precision, the Wages Fund theory has the tinge of enchanting philanthropy. Do his workingmen demand higher wages? The capitalist organizes himself into a tableau of Altruism. Fain would be raise their wages to any amount; but how can he? Does not the wisdom of ages warn, More than is possible let no man be held to do? The thing is simply impossible, like flying. So then, go to, and be sensible.

Socialism with its perverse, Missourian way of demanding to be shown, sneers at the arithmetricity of the Wages Fund theory, and pooh-poohs the philanthropy of those who wrap themselves therein. Socialism denies that Nature, or any Nature's God has a hand in the wages-fund. In its headlong unreasonableness, besides unappreciativeness of the capitalist's good intentions, Socialism goes the length of declaring that the Wages Fund theory is a myth and mystification, and that the "fund" is nothing but false pretense. Unreasonable, ingrate Socialism states point blank that the so-called wages-fund is whatever the amount to which the capitalist succeeds in squeezing down that portion of Labor's product that he allows Labor to keep; or, to

put it in other words, the amount at which the class struggle between Bourgeois and Proletariat strikes a truce. Or still in other words—Socialism maintains that there is no wage-fund other than the FULL RETURNS of Labor's toil which is ALL the wealth in existence at any time; that Labor is entitled to the whole of THAT fund; that the bulk of THAT fund is to-day plundered by the Capitalist Class, under the names of "profits," "dividends," etc., etc.; and that the emancipation of Labor translates itself into the fruition of THAT fund by the Working Class, thereby putting an end to the Capitalist Class, to Capitalism, to Exploitation.

Obviously, the views of Socialism and bourgeois economics are irreconcilable, on this head, for one. Which is right?

We are aware that to dispute capitalist economics is an impious act, which leads directly to the overthrow of "the sanctity of the family," of society and of civilization. Aware of all this we view with alarm certain statements that are being issued from sources no less sacrosanct than the railroads and their press. For instance:

The Boston and Maine railroad reports a "sorry exhibit" for the fiscal year ending June 30, 1911. It tells its holders of common stock that, after deducting the operating expenses, among which "the preferred dividend requirements, amounting to \$188,988" are specifically mentioned, there was left so small a balance—\$267,000—that the dividends on the common stock had to be reduced to 4 per cent., and that "this reduction became necessary because of concessions in wages," etc.

Here we, have an authoritative capitalist statement, elaborated in figures, that fits in exactly with the "rantings of Socialism," Socialism's claims with regard to the Wages Fund theory in particular:—

1. The wages-fund, said by capitalist economists to be a fixed quantity, turns out to be, as Socialism maintains, an elastic quantity, monkeyed with by the philanthropic capitalist, and reducible by him. The \$188,988 dividends on preferred stock, as part of "operating expenses," tell the tale with 188,988-dollar loudness;

2. The wages-fund, said by capitalist economists to be a fixed quantity, a sort of stone wall raised by Nature, and which to seek to break through in the interest of higher wages is like flying in the face of Providence,—that so-called wages-fund

turns out, just as Socialism claims, to be a fund, the size of which is determined by the truce periodically signed in the course of the class struggle between Bourgeois and Proletariat. The admission that the reduction of dividends of the common stockholders “became necessary because of concessions in wages,” among other reasons, proclaims the Socialist contention with a loudness not to be drowned even by the howl of the common stockholders, a portion of whose dividends went into the “wages-fund” as a consequence of the Proletarian pressure which compelled the “concession.”

The alternative can be escaped by no manner of shift—

Either bourgeois economics are sacrosanct, and the Wages Fund theory is a gospel truth, in which case President Mellen of the Boston and Maine Railroad is a fomentor of heresy, to be viewed with alarm;

Or, bourgeois economics are a tissue of fraud, and the Wages Fund theory a mystification, in which case President Mellen should be quickly deposed as a sleepy-head guardian of the capitalist cats, whom he is elected to keep in the bag, and not allow to leap into daylight.

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Uploaded August 2012

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