

EDITORIAL

THE GAS DECISION.

By DANIEL DE LEON

A CCEPTING the not unlikely theory that the Consolidated Gas Company will “bow to the decision of the Supreme Court,” and return to the consumers the \$9,443,359 that it has overcharged them since June, 1906, the conclusion is justified that the Gas Trust has “a kick coming,” and that it justly feels it has been made a scapegoat for the other Trusts to cut their capers with increased security.

The decision of the Supreme Court establishes two principles, both of which will receive the long, loud and prolong{ed} applause of Trusthood.—

The first principle is that 6 per cent. profit on “its capitalization” is a “reasonable return” for a corporation;

The second principle is that the rate proposed must be with reference to the value of the property at the time when the rate takes effect.

In other words—a decision, supposed to hit Monopoly between the eyes, actually furnishes it with legality.

When capitalists talk of “value” they mean “price.” To them price is value. Now, then, price may soar up regardless of value. One of the ways to accomplish the trick is through monopoly. Monopoly can reduce supply. A reduced supply, in the face of an unchanged demand, sends prices up, and send{s} them up still higher if the demand increases. Whether in the matter of land, or actual capitalist opportunities, a capital of \$1,000,000 and entitled, according to the Court, to 6 per cent., entitled, therefore, to a profit of \$60,000, may, by virtue of the identical decision, be entitled to \$600,000 profit.

The trick is simple. Monopoly accomplishes it. The monopoly of land may raise the price of the land, on which the plant is located, from \$10,000 to \$100,000; the monopoly of a franchise may raise the other “implements of production” even

higher. An actual original investment, accordingly, of \$1,000,000, may, through monopolistic manoeuvres, be raised to the price of \$60,000,000, and then be legally entitled to \$600,000 profits—entitled thereby to the succor of the cavalry, the artillery and the infantry of the land in the protection of its “lawful rights.”

What Trust can find fault with this? Not even the Gas Trust. Even the Gas Trust may henceforth proceed upon its robber baron career with increased swing. The moment that, not actual investments but prices become the lawful basis from which to compute a “reasonable return,” the robber barons’ old oriflamme, “We charge all that the trade will bear!” acquires actual sanctity—the sanctity of “Law.”

The kick that the Gas Trust has coming is that it, and no other Trust, was chosen to sugarcoat the pill for the people’s throat by disgorging a round \$9,000,000 of loot.

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

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