

DAILY PEOPLE

VOL. 10, NO. 360.

NEW YORK, SATURDAY, JUNE 25, 1910.

ONE CENT.

EDITORIAL

“BUY OUT” THE TRUSTS?

By DANIEL DE LEON

PUTNAM'S SONS issues a little book by George A. Rankin entitled *An American Transportation System*. The work is full of facts and figures, taken from the most reliable sources available. The figures uncover a systematic process of fraudulent raising of the liabilities of the railroads, until the liabilities per mile have reached a point that the total causes the national debt to pale—with the railroad magnates as a monstrous combine of Robber Barons.

Commenting upon this feature of railroad finance, Mr. Rankin says:

“The greater part of the period prior to 1900 was supposed to have been especially characterized by all that was extravagant, reckless and criminal in railway making; when the fountain, whence flowed watered stocks, was in its primal flow and manipulation and stock jobbery was a recognized business. . . . For was not that the era of the reign of Jay Gould and Jim Fisk, of the old Commodore, of Daniel Drew, and of Erie; the era of men and practices held up before our children as horrible examples? Yet with all their genius the old buccaneers were unable to stuff railroad capitalization more than \$60,000 per mile. How they must groan in their graves thinking what babes they were in the gentle stuffing art, knowing that there are stuffers now in good health and with ever-increasing stuffing abilities, who have stuffed railroad capitalization to \$234,757 per mile—over four times what the genius of the past could contrive.”

Proceeding thereupon to the methods of the railroad magnates, Mr. Rankin apostrophizes them in these words:

“Your liabilities are utterly dishonorable and may never be paid, or else the American people must pay them. Will you say that you have borrowed this money from the people, intending to repudiate the payment of the principal or interest or being indifferent thereto? If so, then I charge you with being a lot of criminals obtaining money under false pretenses. But, of course, you will say that you intend to pay both principal and interest when due. Then I ask, Whence will you get the money to make the

payments? And your only answer is that you will collect it from the people in the form of fares and freight; that you will levy it, to all intents and purposes, as a tax. Can any legerdemain of reason, then, pervert the conclusion, (1) that the people must pay it, and (2) every million of railway indebtedness upon which the railways must pay interest appreciably increases the tax you must levy; that when this indebtedness runs into billions, it must very greatly increase the tax; and that every dollar of the indebtedness which is fictitious is a dollar robbed from the people?”

Mr. Rankin’s theme is the Railroad Trust; that’s true; but what Trust is there, or what large corporation not yet Knighted a “Trust,” which is not guilty of similar feats of fraud, wholesale and systematic. The Sugar Trust? the Steel Trust? the woolen and the cotton mills? To mention these few is enough to answer the broad question.

Although Mr. Rankin, correctly enough, has in mind property-holders only when he speaks of “the robbery of the people” by railroad financiering, and he has no thought of the exploitation of the railroad-building and operating proletariat, the fact is his figures-and-fact arraignment of the Railroad Trust is an arraignment of all Trusts.

Buy the Trusts?—With better grace could the American Revolution have been asked to buy off King George, and pension the mistresses, whom either he or his father sought to console his wife on her death bed with the promise that he would take to his bosom, rather than take a second wife.

Transcribed and edited by Robert Bills for the official website of the Socialist Labor Party of America.
Uploaded June 2011

slpns@slp.org