

# DAILY PEOPLE

VOL. 7, NO. 349.

NEW YORK, FRIDAY, JUNE 14, 1907.

ONE CENT.

EDITORIAL

## CATCHING 'EM ACOMIN', AND CATCHING 'EM AGWINE'.

By DANIEL DE LEON

**H**ERE are two seemingly disconnected economic facts that are, in fact, shoots of one root.

The railroads are causing articles to appear in papers and magazines intended to agitate in favor of placing at their disposal the moneys found in the savings banks. The argument has an ingenious flavor of bait. "Money" say they, "is not obtainable except by paying rates of interest so high that the railroads find it impossible to do so"; at the same time, so the reasoning proceeds, "moneys in the savings banks earn only from 3 to 4 per cent., averaging probably 3½ per cent."; consequently the thing to do is to allow the railroads to borrow these deposits, because, then "a good deal of the dissatisfied feelings against railroads would be removed: the 'plain people' depositors would get dividends ranging from 4 to 10 per cent."

The other economic fact is that there is a rumbling in the Pittsburg, Pa., mining district. The dissatisfaction arises from the introduction of the new automatic steam or shaker dumping machines, which are said to cause the throwing out of men, and the inevitable lowering of wages, besides a number of minor, though still galling evils.

The economics back and at bottom of these two items may be presented in mathematical form.

Say, there are 1,000 workingmen in a certain shop, producing \$12,000 of wealth a day, each averaging \$3 a day in wages, and each depositing every day \$1 in the bank. The case is an extreme one, but illustrates the point. We would then have this proposition:

1,000 men; produce \$12,000; retain \$3,000; yield \$9,000 profits.

The capitalist wants ever higher profits. A favorite way to reach this is to lower the pay roll. Improved machinery is the readiest means: it enables the capitalist to produce at least as much with fewer hands. With the machine we would have this proposition:

500 men; produce \$12,000: retain (at the old rate of \$3 a day) \$1,500; yield \$10,500 profits—that is, \$1,500 more than before.

But an increase in the supply of labor, brought on by the displacement of 50 per cent. of the hands{,} inevitably resolves itself into a lowering of the price of labor-power, of wages. We then face this third proposition:

500 men; produce \$12,000; retain (at the lowered rate of \$2 a day) \$1,000; yield to the capitalist \$11,000 profits—that is \$500 more than immediately upon the introduction of machinery, and \$2,000 more than before the improved machine was bought.

With whose money is that machine bought? Capitalists are rich enough, one might think, not to borrow money. 'Tis not so. That it is not so may be judged from the passage quoted above from the articles inspired by the money-wanting railroad interests. That machine is bought with borrowed money, **BORROWED FROM THE BANKS.**

Thus it is seen that the moneys which workingmen either deposit directly in the banks, or which are taxed as dues out of their hides by the labor fakirs and placed in the banks, ready for the capitalists, become to a not unappreciable extent the funds from which the capitalists raise the loans, with which they purchase the machines, with which they knock out the workers and then reduce their wages—hence the grumblings of the Pittsburg coal district.

Let the cigarmakers, the miners and many other workers, whose labor leaders boast of their vast deposits, chew upon these facts. They will find the explanation of the capitalists' friendship for the fakirs; they will find the explanation for their large deposits; they will find the explanation of how and why their "savings" are transformed into the means that knock them out of work, and into lower wages.

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

Uploaded October 2009

[slpns@slp.org](mailto:slpns@slp.org)