

EDITORIAL

THE PULLMAN CAR DECISION.

By DANIEL DE LEON

U NDOUBTEDLY, as Washington despatches have it, the order just issued by the Interstate Commerce Commission with regard to the Pullman Company “is one of the most important decisions ever handed down” by the Commission. We know of none as important.

Answering the Pullman Company’s attorneys, who argued that present returns upon the Company’s investments are no more than reasonable, the Commission shows:

First, that the total dividends paid in the ten years 1898–1908 were \$39,664,224;

Second, that while this amount appears as about 8 per cent. on the capital stock, the amount does not represent by any means the annual net profits of the Company;

Third, that, over and above the said amount, there was an amount, only little short of the annual dividends, carried annually to surplus, and at frequent intervals distributed among the stockholders in the shape of a “special cash dividend,” and totaling over \$51,000,000; accordingly that the dividends amounted in fact to nearly double the amount stated by the Company, or to over \$110,000,000;

Finally, that no additional capital was actually put into the Company during this period, and that the apparent increase of \$44,000,000 represents actually the capitalization of surplus earnings.

Such, in short, are the findings of the Commission. Upon these findings Chairman Knapp, who dissents from the majority of his colleagues on the Commission, is of the opinion that “broad grounds of social welfare” demand that something should be done. The something done at the behest of “broad grounds of social welfare” is—what?—an order to lower the Pullman rates 25 per cent. to the

Pullman travelers.

That certainly “is one of the most important decisions ever handed down,” if not the most important one, at this season.

Some carping critic and chronic fault-finder might remark that, considering the miserable wages of the Pullman employes, the rise in the prices of necessaries, and the fabulous wealth that these employes (as shown by the findings of the Commissioners themselves) yield to the Company, what the “broad grounds of social welfare” dictate is that the Company’s revenues be clipped by ordering it to raise its wages at least 25 per cent., whereas, to order the Company to lower its rates 25 per cent. to an element that does not extensively consume Pullman accommodations, is to clip at the wrong end. The carping critic and chronic fault-finder might ask: In what way does such a decision deserve to be hailed as “important”? Is it not outrageous to “reform” in behalf of the well-to-do, and disregard the needy? and he might accentuate his question with profanity.

Light-headed, hot-headed critic; why, that’s just what renders the decision singularly important.

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

slpns@slp.org