

from, and cannot be charged to give help to, another. To understand the full meaning of this assertion it will be worth while to see what a free democracy is.

TUMBLING TO GET OUT.

The impetuous patriots, thoughtless young men, who knew not the real meaning of the word *soldier*, and nothing whatever of his trials in camp, on the march, and in the crucial hour of battle, tumbled over each other to enlist in the army for the work of killing Spaniards in Cuba. They seem now, unless all signs deceive, to be tumbling over each other to get out.

PERHAPS.

If it should so eventuate that complications in the Philippines shall require the raising of another 100,000 volunteers, perhaps it might not be so easy, after one trial in the tropics, to produce them. Perhaps.

HOW THE LOAF IS DIVIDED.

The Profits of Capital are the Leavings of Wages.

The careful student of political problems hazards no opinion concerning a matter in the first stage of its evolution save with much caution, for he knows that an opinion not based upon a correct and complete understanding of all pertinent facts is worthless. The railroad question in its entirety is a new one. Those who have studied it most as yet see but little more than its complications. Only those who have studied it not at all are ready with a remedy for every apparent wrong. What we shall do with our railroads, or rather, what we shall permit their owners to do with their own is for this generation to say. So far the public has concerned itself with the rights of those who use only, and has given but little heed to the rights of those who own or the rights of those who work for the owners. A sop now and then has been thrown to the latter, but they are too wise not to know that persistent attacks upon the employer's income is but a reduction in the size of the loaf which the employer and employe divide. While years of contention that the protection of the employer by a tariff duty is necessary for the welfare of the employe may have failed to satisfy many as to the soundness of that theory, its discussion has certainly resulted in the universal belief that unfair treatment of the employer or the denial to him of equal protection under the laws is most injurious to labor. The appeals of the stockholder in the past, and more particularly in the Western states, have been like the cry of an alien in a foreign land, for prejudice has dulled the public sense of honor; but the men who have made possible a new calling, paying higher average wages than any other and numbering more than a million among its contented

toilers, are sure of a new and powerful ally. Railroad statistics are being studied by the employe, and the result is startling to those now receiving their first impressions in this direction. This study should be encouraged by every interest and in every possible way; by the farmer as well as by the stockholder, but most of all by the laborer and by the men who would intelligently and fairly represent him in legislative bodies; for these statistics disclose that if the loaf be but little reduced in size, the whole portion remaining will be less than the part now falling to the share of labor.

The annual report of the Atchison, Topeka & Santa Fe railway company, the principal company in the Atchison, Topeka & Santa Fe railway system, which has just appeared, contains much food for thought by its employes; and as the condition of affairs with that company is much the same as conditions elsewhere, the report must be of interest to railroad employes everywhere. That company's entire income for the year ending June 30, 1898, was \$26,075,000. Of this sum \$17,524,000, or sixty-seven per cent, was expended in maintaining, repairing and operating the road-bed, structures and equipment.

It took every dollar of the income of this company earned from any source during the first eight months of its fiscal year to pay for the labor and materials required to maintain and operate the property. And it should be borne in mind that the above sum contains no portion of the amount expended for permanent improvements, on which account \$1,044,000 was paid out during the year, all of which was from cash contributed as a new investment by capitalists, who have thus shown their renewed faith in the integrity of the people of the Southwest.

The net earnings remaining after the payment of operating expenses for the first two months were \$872,000, while the taxes for the year were \$1,136,000. Thus it will be seen not a dollar of the net earnings during July and August, 1897, and only a portion of such earnings during September of that year, were available for the payment of interest on the bonded debt; for taxes must be paid as well as labor. The claims of the latter come first and taxes second; the bondholders third and the stockholders last of all. It is easy to see that, out of the entire earnings, the first and largest dividend, being sixty-nine per cent of the whole, went to labor, either directly to the employes of the railroad company or indirectly to the men at work in quarries, mines and

mills, engaged in producing supplies needed and used by the railroad company. Of the amount then left, and before the payment of interest on the bonded debt, \$10 out of each \$70 remaining was contributed to the various states, counties, school districts and municipalities upon the line, in the way of taxes. And when the interest on the bonded debt of the company had been satisfied, there remained but \$1,700,000 for the stockholders, which was but one-tenth of the amount expended for operating expenses. In brief, labor received out of the amount disbursed more than ten times as much as did the stockholders, whose share but slightly exceeded that which went to the states, counties, school district, cities and towns.

It is apparent that labor's interest in this immense industrial plant far exceeds that of capital. Dividends may be passed, as in the case of this property they have been for more than ten years, but there is no escape from taxes and interest. A reduction of ten per cent in the income of the Atchison company for the year mentioned would have left nothing for the stockholders and less than enough for taxes, labor and interest. The taxes and interest are fixed and therefore must have been and would have been paid in case of such a reduction. The deficit, therefore, must have been suffered by labor. The company would probably have used less material and employed less labor, and there would have been less work, not only on the line of the railroad itself, but in the industries now busy supplying the enormous demands of this prosperous company. A reduction in railroad earnings, like a falling house of cards, moves irresistibly until it reaches the last dependent structure.

The lesson from all this is plain: periods of depression can be tided over by conservative managements if they are left free to make good in the prosperous years the losses suffered in the poorer ones, but if the permanent earning capacity of these companies is injured, if there is to be no recovery from the blow once struck by adversity or by prejudice, the injury falls first, it is true, upon the stockholder, but his margin is so narrow that any blow intended for him must inevitably strike the employe. That rates are sometimes too high and that persons and places are sometimes unreasonably favored or wrongfully discriminated against is undoubtedly true. That railroads should be so regulated as to compel the equal treatment of all similarly situated and to prevent them from levying extortion, no fair-minded person will deny. But those who strike blindly at this class of capital, ignorant of the facts and indifferent to the consequences, call them demagogues, radi-

VORACITY OF MATERIALS.

CAPITAL EATS AT THE SECOND TABLE OR GOES HUNGRY.

RESUSCITATION OR DEATH.