In the official return of the receipts and expenditure of the London, Brighton, and South Coast Railway for the half-year ending June, 1888, we find that, whilst the income was £993,656 8s. 3d., the expenditure was only £491,935 15s. 11d., leaving a balance to the share and debenture holders of £501,720 12s. 4d. This means that the profit on the expenditure for the half-year was 102 per cent. That the half-year was not an exceptional one, and that this line is not an exceptionally profitable one, are amply shown by a comparison with the reports of other companies. The average profits on the North Eastern, the Midland, and the Sheffield, Lincolnshire, and District Railways are similar to those of the first-mentioned railway. As we saw, the directors of this Company paid to the share and debenture holders £501,720 12s. 4d., whereas I find by adding the various items of wages together that the entire working staff got only £227,000 as their share of the wealth they had created. Now, I do not know the amount of capital that may be invested in this concern, and therefore cannot say what dividend may be represented by £501,720 12s. 4d.; but without reference to what the profit may mean in the shape of dividend, it is important to note the gross disparity between the return to labour and that to capital, If the meaning of these figures is fairly grasped, we may now pass on to the consideration of the alleged 4 per cent. dividend, how it arises, and what can be done with it.

The amount of capital invested in the railways of the United Kingdom is roundly stated at £800,000,000. The dividends annually paid on that sum amount to £33,000,000. This, indeed, gives a return of only 4⅛ per cent. on the money invested. But no authority on railway statistics will contend that the actual capital sunk reaches anything like £800,000,000. Waring, Fleming, Keddel, Macdonell—all agree in saying that the value put on railroad systems is largely fictitious; though to indicate all the methods by which this fictitious value is run up would require more space than is at my disposal. Difficult as it is to determine the capital sunk and the dividends actually paid, the foregoing figures, showing how the incomes of Railway companies are divided, are sufficient to show that Edward Carpenter (himself a railway shareholder) is justified in saying that each railway servant carries a share or debenture holder on his back.

Taking the case on its last and lowest ground, and accepting the statement that 4⅛ per cent. represents the average dividend, I contend that even off that percentage of profit the Companies can afford to pay the present rate of wages for eight hours' work