

THE UNITED American

A MAGAZINE OF GOOD CITIZENSHIP

Devoted to the Cause of

Americanization, Assimilation and Group Elimination; Pointing the way to a Constitutional Americanism, to Equality in Citizenship, and a better understanding between Native born and Foreign born.

Vol. 3 Continuous
Volume 21

May, 1925

Number 8

THE GOVERNMENT OWNERSHIP FOLLY SOME EUROPEAN IDEAS WE HAVE DONE WELL WITHOUT

THERE IS ONE feature connected with public ownership of privately owned and operated public utilities that is rarely brought out, and never by the exponents of the public ownership idea, and that is that the government does not tax its own property, and if the great tax-paying utilities' corporations ceased to exist and that if their enormous enterprises fell under national control, the millions of revenue which is now collected from these sources would have to be obtained through other channels.

An illustration of how enormous are the taxes the railroads are paying into the treasuries of community, state and nation is given in an item in "The Earth" where the editor in giving the startling figures incidentally reflects on what would happen if our government should lose this source of tax earning by saddling the railroad on the back of the people and forcing this enormous private capital out of its present field of investment:

The Santa Fe Railway pays on an average of \$56,000 a day for taxes. Get that—a day. The operating expenses of the road are \$475,000 a day, not counting taxes. Of this \$475,000, employees get \$280,000 a day. Fuel to keep the road going costs \$59,000 a day. Materials and supplies cost \$95,000 a day. The money to take care of these enormous costs comes from the transportation of freight and passenger traffic mainly. A small part of it comes from the transportation of United States mail. The prices which the company charges for transportation is fixed by government commissions of the public's selection, federal and state.

Regarding Santa Fe railroad taxes, which go to the communities along the line—\$56,000 a day, or some \$20,000,000 a year: If the Federal Government ever takes the railroads for operation, payment of these taxes will cease, as Uncle Sam pays no taxes on his own property. We are speaking here only of the Santa Fe's taxes. All the railroads of the country pay a total of \$1,000,000 taxes a day, or \$365,000,000 a year. Tax payers would find that staggering amount added to their present tax charge, under government ownership.

The agitator who is for government ownership does not discuss this phase of the situation when he rails

against every form of privately conducted industry and privately owned and operated public utility. He does not deal in facts. Facts would defeat his cause. Deception is his main stock in trade.

People from the old world should not be led into believing in public ownership in America as easily as native Americans, because they know from first hand the inefficiency that follows in the wake of government proprietorship. They know that it is a rank pork-barrel system, to use an apt American phrase. They know that it is a spineless snail-like and cumbersome agency of public service in every field, void of that snap, courtesy and eagerness to meet the public and individual demand to which we are accustomed to in America. They know that it hardly ever keeps abreast of progress and is never known to venture into new and virgin fields to wait a long time for a margin on the investment, which necessarily depends on industrial and agricultural developments and private initiative. Without these, there can be no drawing power for popular settlement, rural or urban.

* * *

Did you ever stop to consider the contrast, for instance, between the service given on the old world railways, government owned and operated, as compared with the service given on the competitive railway lines in America, privately owned and privately operated, under strict government control and regulation?

Well, if you never did, let us take a little excursion together, into the past, as we know it, those of us who are candid enough to reason fairly and allow our conscience to be the guide. All things being equal, let us measure the past by the present and, as there is no measuring rod that's better than that to gain the intelligence that is necessary for our future course of reasoning, we should be able to ascertain, beyond a reasonable doubt, that the American system of operating public utilities is far superior to anything that