

# A Word With You

ONCE again, after many years, the railroads are in the news — but this time because they are sick.

The once mighty empire of the "iron horse," like many another empire today, is on the wane. Railroads are curtailing service or closing down, and deficits are piling up.

The obvious answer is, competition from automotive and air transport. It is quite true that these have taken away a lot of business. But there still remains a substantial market for railroads, and it could be greater. Why do they seem unable to cope with the situation?

There are certain handicaps that make it difficult for railroads to operate efficiently, competitively and profitably. One is the demand of unions and brotherhoods to maintain an obsolete staff at high wages, for "featherbedding" purposes. Another is the heavy taxation of railroad capital. Another is the regulation of railroads within each state, and also by the Interstate Commerce Commission. Decisions come too slowly to meet new situations.

But the main trouble with this industry is its own monopoly condition, both past and present.

As the railway industry grew, it quickly became a monopoly through the huge grants of federal lands and through the shrewd manipulations of rail kings. This situation in turn led to outraged cries for regulation and union demands.

For a long time the railroad had no competition and this usually results in sluggishness. Even after the competition appeared, they were slow to improve. The Diesel engine could have been adopted much earlier, but the change was resisted. Even now, innovations in carrying freight by rail (like the "piggy-back" system) are being resisted and the obsolete box-car hangs on.

Largely because of the reckless land grants, many companies own a good deal of land and are reaping such profits from it that they are not straining themselves to save the railroad as such.

This industry could be a growing one instead of a declining one, if it were put on an economically sound basis. The taxation of land values would certainly be a basic step in such a program. The railroad would then be obliged to attend to its proper business instead of neglecting it and living off an unearned income. Ways to release the strangle-holds of repressive taxation, regulation and union control must also be considered.

Let railroads enter into the bracing air of the competitive market. Why shouldn't they advertise, as airlines do? Why shouldn't they sport some new feature each year, as automobiles do? Why shouldn't they show a profit and the public still benefit?

—Robert Clancy

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The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N.Y., supports the following principle:

The community, by its presence and activity, gives value to land, therefore the income from land values (rent of land) belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community — known as wealth. This wealth belongs to the producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

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