DOWNLOAD PDF RAILROADS, THE FREE ENTERPRISE ALTERNATIVE

Chapter 1 : Triumphant Democracy: US Railroads

Overbey uses this book to argue a novel concept of railroad operation in the US. Dedicated to the competitive marketplace, he suggests a radical restructuring of the industry: creation of privately owned regional roadway companies that would maintain the physical plant, control traffic, and collect.

Instead of simply debating spending levels, we ought to be debating whether the departments, agencies, and programs funded by the budget should exist at all. This is the sum of good government. A Free-Enterprise Economy encourages businesses to expand, resulting in the prosperity and wealth of a strong country. In a Free-Market, the federal government ONLY protects business owners and their workers from illegal fraud, especially in international trade - BUT the federal government cannot dictate where companies get their raw materials, what types of products or services they offer, nor how they spend their money after they earn it. Hard-working competitive free enterprise producers create low prices and high quality. Competition results in excellence, and always has. In order for ownership of private property to be complete, four aspects must be met: In a free market economy these aspects are unrestrained, as long as the person does not infringe on the rights of others. True ownership of property and freedom go hand in hand. Although the TV propaganda seems to claim that Fascists are the extreme right-wing "fringe", and the Communists are extreme left-wing - Fascism is the first step in the degeneration process of a Free-Enterprise Economy toward Communism. State Capitalism is where the government intervenes to prevent economic instability, including partially or fully nationalizing certain industries. Some economists characterize the communist economies of the USSR and the Eastern Bloc to have fallen in this category as well. Marx created his "Theory of Capitalist Mode of Production" as a projected strawman argument with the presumed goal of justifying communism. Marx basically argues that corporations cannot be trusted - so they should be regulated fascism or owned socialism by the government. Marx argued that capital existed incipiently on a small scale for centuries, in the form of merchant, renting and lending activities, and occasionally also as small-scale industry with some wage labour Marx was also well aware that wage labour existed for centuries on a modest scale before the advent of capitalist industry. Simple commodity exchange, and consequently simple commodity production, which form the initial basis for the growth of capital from trade, have a very long history. The "capitalistic era" according to Marx dates from the 16th century, i. One of the most basic aspects of any economic system is the concept of " capital ", which means "the means of production". Capital can be tools, machinery, and even people. All types of economic systems include elements of " capital " the means of production and "property" entitlements to ownership , with differences between the systems being varying combinations of types of ownership and control of " capital " and "property". By strict definition, every type of economic system is " capitalist ", including Communism. The difference between Communism and the American Capitalist type of systems lies in the ownership of the capital. Communist capital is "monopolistic and state controlled", and American capital is " competitive free enterprise ". The best way to judge or compare economic systems is through an analysis of ownership and control of capital. In each, the government controls the capital. The difference among these is how much is owned or controlled outright by the government. The only alternative to this type of predatory economic arrangement is a free marketplace, wherein all people remain free to exercise their God-given rights and abilities and to keep and exchange the product of their labor as they see fit. Some basic differences exist between the two major types of economic systems. In the competitive free enterprise system, capital or property is both owned privately and controlled privately. In a monopolistic system, holding title to capital can be accomplished privately or by the state, however, the capital is controlled by the state or the elite few who control the state.

Chapter 2 : The Railroad, American Frontier, and Free Enterprise | Rock The Western World

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May 19, My Country â€" Building Our Railroad System Whenever we get stuck on the wrong side of the railroad tracks, no one considers how they were built. We sit, turn off our car, and wait. But most of the industrialization of our country took place due to those railroad lines. In the s, Congress granted 28 million acres of public lands to the States for the purposes of subsidizing railroad companies. However, in , Congress enacted the Pacific Railroad Acts. Pacific Railroad Acts The goal of the Act was to build the transcontinental railroad system. In all, the Government transferred approximately 1. Abuses Justice Douglas writes of the abuses in the railroad industry. Railroad magnates became feudal lords as farmers paid huge sums based on inflation. The State had not recourse as the industry had more money than the states. In the end, they bought legislators, had backdoor deals, and became a monopoly. As a result, Congress discontinued the program of federal aid in But that failed to ebb the tide. Cooke raised money through bond sales, including with banks, but economic conditions weakened after Investors began to pull out with fears that the railroads overbuilt. And when the investment house failed, banks demanded payment of their loans. This led to the Supreme Court upholding the Illinois Granger laws. As discussed previously, governments began to regulate rising fare prices of railroad companies. However, Congress created federal regulations in Interstate Commerce Act of The railroads became the first industry regulated by Congress. However, the Interstate Commerce Commission had a rocky start with many struggles to make its controls effective. S Attorney General William H. It satisfies the popular clamor for a government supervision of the railroads, while at the same time that supervision is almost entirely nominal. As it did not give the express power to the commission, the power could not be implied based on the commission having the power to determine if set rates were reasonable and just. In the end, this set up our modern administrative state. However, the power cannot be implied from the terms of the statute. Conclusion Railroads appear to have set much of the course of the United States of America. We continue to debate the power of bureaucracies, like the Interstate Commerce Commission. Fears of monopolies and government favoritism came out strong in the election.

Chapter 3 : Free Enterprise

Railroads: the Free Enterprise Alternative. By OverbeyDaniel L.. Westport, Conn., Quorum Books, Pp. xviii + $ - Volume 57 Issue 2 - Stephen Salsbury.

According to the popular myths, the same myths now exploited by the president, and challenged by no one, the railroads, these supposedly great monuments to the ingenuity of American industrialists, united East and West by bringing together the economies of the West coast and the East coast. This government program then set the stage for the massive economic growth and national greatness that would occur in the United States during the early twentieth century. And yet, few claims about the necessity or success of the transcontinental railroads are true. While none would argue that transcontinentals would not become economically feasible in the private market at some point, during the s, as the first transcontinentals took shape, there was no economic justification. This is why the first transcontinentals were all creatures, not of capitalism or the private markets, but of government. There simply were not enough people, capital, manufactured goods, or crops between Missouri and the West coast to support a private-sector railroad. As creatures of government and of taxpayer-funded schemes to subsidize the railroads and their wealthy owners through cheap loans and outright subsidies, the railroads quickly became scandal-ridden, wasteful, and contemptuous of the public they were supposed to serve. The Transcontinentals and the Making of Modern America , which exposes the near-utter disconnect between the railroads and the true geography of the markets in the mid-nineteenth century. While it has been long-assumed that the West coast benefited immensely from the transcontinentals that connected the West coast to eastern markets, in fact the overland railroads made little difference. The West coast already had its own economy founded on exports to Europe and Asia, and Californians and Oregonians obtained all the goods they needed by sea. Indeed, for years after their completion, the railroads of the West coast were unable to effectively compete with the steamship operators many of them also subsidized by Congress that provided cheaper transportation of goods. Naturally then, this situation degenerated into a political competition between railroads and steamship companies seeking more favorable treatment from the federal government. In general, however, the economy of the West coast turned to the more efficient and more competitive sea carriers. By the s, the sea carriers were already taking advantage of well-developed trade with the Panama Railroad across Central America, completed in , that was providing true transcontinental shipping at a much lower price over a much shorter overland route. Legal and economic shenanigans ensued, and it would not be until the s that anyone built a privately-funded railroad, the Great Northern Railway. Indeed, by the s, global progress in technology and technique had greatly reduced the cost of constructing railroads. The benefits of waiting for the private sector to construct railroads when costs and consumer demand made them feasible could have been enormous. The costs of not waiting were indeed huge. The transcontinentals set the stage for the corruption and corporate capitalism that now defines the Gilded Age in the minds of many. While much of the American economy of that era was characterized by very free markets, the railroad markets west of Missouri were anything but. In the end, the railroads constituted a huge transfer of wealth from taxpayers, Indians, Mexicans, and more efficient enterprises who found themselves competing with these subsidized behemoths. It was the same old story of using the state to socialize costs while privatizing profits. If there be profit, the corporations may take it; if there be loss, the Government must bear it. This enormously presumptuous statement, however, completely ignores the opportunity cost of constructing and financing the railroads in that fashion. What else could have been funded with the resources that went to the railroads during the decades following the American Civil War? Even that argument held no water, of course, because it turns out that railroads require an enormous amount of upkeep and maintenance. This was especially true of the first transcontinentals which were poorly and cheaply constructed, and which required rebuilding in many places. The railroads were in fact huge white elephants that in many cases could only be maintained with cheap government financing and other forms of corporate welfare. Interestingly, White, in his conclusions in Railroaded, appears somewhat dismayed at the chaos that reigned among the railroad companies and within the so-called markets that connected the railroads to the farmers, ranchers, and miners who used the railroads for shipping. Lacking the insights of the Austrian School, White fails to see the booms, busts, and waste of the transcontinentals as the natural outcome of a government-dominated market divorced from a functioning consumer market or price system. The assumed connection between those two events, however, is on far shakier ground, and the assumption that it was right to tax and defraud millions of American taxpayers to make the enormous boondoggle a reality, is on the shakiest ground of all.

Chapter 4 : Crony Capitalism and the Transcontinental Railroads | Mises Institute

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The population of the country doubled, a sign of healthy, vibrant economy. We went from 35, of rails to over , milesâ€"more than all of Europe combined. There was tremendous growth in oil, coal, steelâ€"just about everything associated with industrialization. Along with this growth came all the problems typically associated with industrialization. Both the blessings and the problems or industrialization are often attributed to the "free enterprise" system, a system where government maintains a laissez-faire attitude toward business and economics. But it is doubtful if the economic system of the late 19th century can truly be characterized as one of "free enterprise. The tariff meant that a disproportionate share of the cost of government was paid for by those who might have consumed foreign goods or gotten American goods cheaper. Farmers in general and the South in particular were adversely affected by the tariff. Railroads The growth of American rails is another example of government intervention on the behalf of business rather than a truly free-market system. The Federal government gave huge subsidies to the companies that built the first transcontinental railroad, Union Pacific and Central Pacific. Not content with their enormous government-subsidized profits, the directors of Union Pacific maximized their own profits by hiring out the work to a subsidiary, Credit Mobilier. Well, they controlled CM outright while they were only major share holders in Union Pacific. The directors of Central Pacific Stanford, Huntington, Crocker, and Hopkins did likewise, raking in the big bucks and ensuring bright futures in business and politics for themselves. Ultimately, the Federal government gave away more than million acres of land to the railroadsâ€"and local governments gave the railroads even more so that the rails would go through their town rather than some other. When not ripping off stockholders and the government, the railroad tycoons were busy ripping each other off and to destroy the competition. Cornelius Vanderbilt, for instance, decided to secretly buy up Erie Railroad stock so he could control the line and eliminate its tendency to compete with his own lines. Fisk, Gould, and Drew pocketed the difference, not using the money for capital improvements or anything else to improve the value of the company. These men pocketed millionsâ€"while the other Erie stockholders made nothing at all: Industry The growth of the railroads meant a tremendous increase in the demand for steel, and more opportunity for enterprising individuals. One of the biggest names in steel: Honest, industrious, and hard-working, always willing to do the extra job, he accumulated enough capital to buy his way into the steel business. One of the first to see the potential of the Bessemer process to turn out a higher quality steel at a lower price, Carnegie ended up earning a large fortuneâ€"which he then prepared to give away. So he wrote to the railroad companies and warned them that Bessemer steel was dangerous: Duquesne found itself losing contract after contract. Its stock price plummetedâ€"and Carnegie made his move. He bought up control of Duquesne at a bargain priceâ€"and now he improved Bessemer steel. He controlled iron mines, coal mines, rails, enabling him to control production costs and undercut his competitors. But, for Morgan, ending completion worked out just fine. His company, Unite States Steel, became the first billion dollar company in America, maybe the world, Morgan also had his hand in the railroad industry and in banking. As in steel, he worked to eliminate completion and to keep profits up. Other businessmen were ready to join him to create what were called trusts, agreements to limit competition and keep prices high. Eventually, there were trusts in all sorts of different industries, trusts that eliminated the competition necessary for a truly free enterprise system. And then there were the outright monopolies such as the oil monopoly created by John D. Rockefeller and his Standard Oil Company were completely unscrupulous in the way they dealt with potential competitors. And he got away with such shenanigans by bribing legislators. I would say the latter.

Chapter 5 : Business and Industry

My Country - Building Our Railroad System Whenever we get stuck on the wrong side of the railroad tracks, no one considers how they were built. We sit, turn off our car, and wait.

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Chapter 6 : Free Enterprise | Economic Systems

Railroads: the Free Enterprise Alternative. By Daniel L. Overbey. Westport, Conn., Quorum Books, Pp. xviii + $ Stephen Salsbury.

Chapter 7 : Free Enterprise? | Yahoo Answers

It was the end point of a strange anomaly in American historyâ€"the first, and only, major effort to make the free enterprise system carry the burden of national.

Chapter 8 : Is there a free (as in money) version of Redhat linux? - Super User

The Foundations of Free Enterprise by Allen, Armstrong, and Wolken Alternative Economic Systems The process by which these questions are answered is the economic system in action.

Chapter 9 : Private enterprise Synonyms, Private enterprise Antonyms | theinnatdunvilla.com

To what extent did technology railroads the free enterprise system, the rise of national markets, and population each play a role in making the united states an industrial giant.