

May 7-1940

Mr Amos G. Carter-

Dear City Boaster-



Not written for  
the column of  
your paper-

I want to say ~~am~~

A-men - to your letter to Mr H. G. DeKes -

In my opinion you fixed him up about  
right - I was born in the state of Miss.  
and have been a life long Democrat, but  
am not a New Dealer -

I also want to speak a good word for  
Mr B. C. Forbes - One of the few writers in the  
U.S.A. that writes good horse sense these days.

Would like to see you leave that P. S. off the  
articles he writes - yours very truly -

A. L. McCarty - 2816 Fitzhugh St - City -

# Forbes on Business

The Opinions Here Expressed Are Not Those of The Star-Telegram, but Those Formed by . . . . . B. C. FORBES.

Little wonder enterprise is timid, unemployment appalling. Analyzing 19 corporation annual reports, I find that they were compelled to pay more in taxes than they were able to pay to investors who supplied the capital which made these employment-giving concerns possible.

In round figures, against \$565,000,000 disbursements in dividends to millions of savers who supplied the money which created these 19 companies, \$612,000,000 was taken from them by tax collectors.

Wage earners, of course, were by far the largest recipients of the money paid out. They drew \$2,550,000,000.

This compilation emphasizes the overwhelmingly important part played by industry in making America the foremost nation on earth.

'Tis business that supplies our daily bread.

'Tis business that makes possible Washington's gigantic, multi-billion-dollar spending.

'Tis to business we must look for finding jobs, not to the government, because each one of the hundreds of thousands of employees added to the public payroll simply means that you and I have to dig deeper into our pockets to fill the pay envelope.

Business and industry, the facts here disclosed, work more for tax-eaters than for the stockholders who supplied the capital.

Obviously, if government didn't take so much out of the business kitty, more would be available for both workers and the savers who furnish the capital.

All but one of the 19 concerns here considered are non-railway enterprises. A similar compilation covering railroads would make a far more discouraging showing. Imagine this: For every dollar of net income earned by the railroads for their stockholders in the last nine years, they have been mulcted by tax collectors to the tune of \$12.38. Does this help you to understand why so many of our railroads have been wallowing in bankruptcy, why railway mileage has been shrinking and shrinking, why nobody wants to subscribe for new railway stock issues?

No oil company is included in these statistics. Last year taxes on this industry and its products aggregated \$1,135,000,000—four times the amount paid on petroleum investments. But these taxes included not only what the companies were taxed as companies, but taxes they collected from consumers of gasoline—mostly, of course, users of automobiles.

This table should incite very serious thinking:

Corporation.	Taxes.	Dividends.	Payroll.
American Rolling Mill.....	\$ 3,046,873	\$ 1,800,000	\$ 30,395,267
American Tel. & Tel.....	158,905,000	168,181,146	570,151,000
Bethlehem Steel .....	21,191,492	12,246,172	158,676,161
Chrysler .....	30,850,089	21,755,660	105,800,000
Consolidated Edison, N. Y.....	54,677,205	33,866,842	69,523,000
General Electric .....	21,013,000	40,305,054	120,130,000
General Motors .....	102,000,000	159,497,902	386,292,000
Goodyear Tire .....	13,600,000	5,307,505	57,269,980
International Harvester .....	12,001,000	12,509,000	92,000,000
Johns-Manville .....	2,118,696	2,862,500	18,664,103
National Steel .....	6,337,541	3,738,384	36,651,187
North American Co. ....	20,294,766	14,226,567	35,300,000
Pacific Gas and Electric.....	18,049,000	20,434,836	24,606,000
Pennsylvania Railroad .....	40,095,847	13,167,754	206,721,788
Radio Corporation .....	6,252,085	5,992,009	36,091,242
Swift & Co. ....	6,306,228	7,104,131	99,500,000
United States Rubber.....	18,246,232	7,813,092	57,629,000
United States Steel.....	67,017,086	25,219,667	368,577,711
Westinghouse .....	10,390,874	9,349,421	80,916,341
Totals.....	\$612,403,014	\$565,377,642	\$2,554,894,780

What is the lesson driven home by all this?

Is it not that government has become altogether too costly, that it is bleeding business and industry, that it is discouraging enterprise, that it is very gravely retarding re-employment?

It can not go on without jeopardizing America.

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