EDITOR'S NOTE

This is an extension of remarks made at the Annual Meeting of the American Economic Association in Chicago, December 29, 1950. Dean Russell is a member of the Foundation staff.

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OWNERSHIP IN COMMON

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WHEN the government owns anything — be it a post office, a school, a hydroelectric dam, or whatever — it is called "common ownership" on the theory that it belongs to all of the people. In a discussion of the ideas behind this theory of government or common ownership, it is, of course, unnecessary to examine all the examples of it. The study of a single industry will suffice to illustrate the problem. The example here selected is the electric industry — with particular emphasis on the device of river valley development.

GOVERNMENT ELECTRICITY

IN 1932, the federal government was producing less than one-half of one per cent of all electricity generated in the United States. In 1949 this had increased to more than 13 per cent. If state and local government production is added, this figure rises to almost 20 per cent. Further, it is estimated that federal projects will account for at least 25 per cent of the new production capacity to be constructed in the United States during the next three years.

The implications for the future are far more serious than shown by the actual figures of this