

The Gasoline Tax

By JAMES ROGER BROWN

IN THE Sunday World of July 13th, there was an editorial entitled "An Ideal State Tax." In this editorial the Gas Tax was endorsed. It was called an ideal tax.

What difference is there between this tax and a tax on sugar, milk or any labor product? Does not the gas tax percolate and is it not added to the cost of living, just as the tax on sugar or on milk would be?

The gasoline tax is but a return to the ancient system of toll-gates on stone-roads, and without any more justification.

When we began to get enlightened on the tax question, we abolished toll-gates, for we recognized clearly that however you paid for roads, outside of a tax on land values, they had to be paid out of production, whether the collection was made by a woman who wore a sun-bonnet at the toll-gate or was included in the general tax levy. In either event, it was added into the cost of living.

A tax upon sugar restricts the production of sugar, increases the cost of production, increases the cost of living, limits the amount of labor and capital engaged in producing sugar. May I ask, are there not enough men out of employment now?

A tax upon gasoline interferes with the production of gasoline, with the production of autos, restricts the building of autos, limits the use of autos and exactly the same as the sugar tax, is added into the cost of living.

The real beneficiary of a state road is the owner of lands along the roads and particularly the owner of lands in towns connected by these state roads. This benefit is reflected at once in the increased selling price of such lands. It is a sound principle of business that the costs of benefits should be borne by those benefited.

It is clearly against the interest of the race to check the production of wealth in any form, or to increase the cost of living.

Why not let the new road pay for itself? It will, if the taxing authorities will permit. The only measurable financial effect of this fine highway is to raise the annual value for use of the land through which it runs—and that with no help whatever from the owners of the land. Let the road take this value which it has created and it can and will pay for itself without adding a dollar to any one's cost of living.

When you contend that the users of the road are paying for it, that is not correct by any manner of means and it is further from the facts every day, for larger and larger amounts of freight and goods are transported over state roads by trucks, and all those charges are added into the cost of production of the goods they handle and therefore added into the cost of living of people who never sit in an auto and never see a state road.

This spring I saw a very large stretch of land running from Washington, D. C. to Williamsburg, Va., most of it over-grown with scrub oak and scrub pine, very little of it tilled. Through this stretch of about 200 miles, a magnificent concrete road was built at great expense. Before the road was built, very little of this land was in use, but nevertheless held at a good stiff price, a price that made it impossible for a landless man to pay and work that land at a profit. Now, what was the result of

building this splendid road, making this land very accessible to labor and to capital. Have labor and capital rushed to take advantage of this opportunity newly opened up? Not at all. Well, why not? Because the increase in selling price resulting from the good road made it more difficult than ever to use that land and make a profit at the price now asked for it. There is hardly any land on earth that cannot be used for some purpose. The land I refer to could all be used in the development of our forests, once crops were grown on most of it, but no one could pay the speculative price now asked, pay the taxes that would be sure to be levied upon it in case they improved it and make decent wages, let alone any profit.

So it would seem, as a net result of our present system of taxation, that the good road, instead of bringing this land closer to labor and closer to capital, thereby stimulating the production of wealth on land that for many years has lain idle, is likely to delay its use indefinitely.

The foregoing is from a pamphlet distributed 25 years ago by the Manhattan Single Tax Club. Mr. H. C. Maguire of New York says it received wide publicity.