

1916, exceeded their total operating expenses and all railway taxes, by more than a thousand million dollars. At twenty years purchase this would make the value of the railway property mentioned, over twenty thousand million dollars. The "World Almanac" gives the value invested in road and equipment at about seventeen thousand million dollars in 1914, and the par value of outstanding railway capital at over twenty thousand million dollars, so that the present railway value can be conservatively estimated at twenty thousand million dollars. "World Almanac" gives the value of telephone property at about one thousand million dollars. The enormous value of all the telegraph, telephone, electric light and power lines, of municipal and inter-urban street railways, wharfs, gas, water, subways and other municipal utility values, probably equal or exceed the value of the railways. This is much more than 20% of the total value of all property in the U. S. Shearman says that more than three-fourths of the whole market value of these stocks and bonds "consist of pure land values." Although accurate data is lacking, probably more than 20% of all land values in America are franchise values. How ridiculous then for the Single Taxer to go to the farmer or home owner and urge the Single Tax on him and his land, while the scores of thousands of millions of property value belonging to these great grinding corporations are to go scott free from ALL tax.

(2.) The strongest basis of Single Tax is its inherent justice. To unjustly exempt any class of property from taxation, is a discrimination which cannot be logically defended. The exemption of franchise value from taxation, destroys the ethical basis of the absolute fairness of the Single Tax. In New Zealand and Australia, the exemption of certain land values from the land value tax, has proven a most serious handicap in those countries to the further extension of the tax.

(3.) The exemption of public service franchises from taxation would leave the Single Tax movement open to the charge that its leaders had sold out to the corporations either for cash, or for the purpose of buying off corporate opposition.

(4.) Single Tax success, in whole or in part, with public service franchises untaxed, would not lessen the evils of farming out the public service, nor make the fight against such evils any less strenuous. Nor does such unfair exemption lessen the opposition of the privileged classes to the Single Tax, as was demonstrated in the recent California election. In the great conflict now on against entrenched privilege, any surrender of our principles is fatal. There must be no false doctrine.

COMMENT BY GEORGE WHITE

Mr. Bucklin is "all at sea"—has not fully thought out his subject. Gross receipts are the only source of income to public utility companies. These

must provide all "rent" if rent is charged for the use of public highways. Patrons of the service, and they only, furnish the gross receipts. If rates are to be based solely on the figured cost of labor, materials, depreciation and interest on wealth used by the companies, such rates will provide for no taxes of any kind, and taxes cannot be paid or collected. If rates are to be based on the mentioned costs plus a payment for the use of public highways, such rates will provide for some kind of a tax for such highway use, but patrons of the service must pay the tax in the rates so increased.

Mr. Bucklin, to the contrary notwithstanding, rate regulating commissions very properly allow all taxes to be considered as "costs" of operation, both taxes on tangible property and taxes in the nature of payments for the special use made of public highways. To require such payments for such special highway use is to call, simply, for ground rent, and ground rent, in any business, is properly to be considered as a cost of operation.

Mr. Bucklin's dissertation on cost and price has no bearing on the question before "the house," which is, whether or not ground rent shall be charged for the special use of the public highways, and if it is charged who is to be considered as finally paying it? If a municipality, by Single Tax, takes substantially all land rent from a private landowner, the land owner's tenant will pay all the tax. (In this sense, that he will pay the full rent—will furnish all the tax and properly so, as the user and occupier of the land). If a municipality, by a tax on utility companies, takes rent for the use of highways, the real tenants—the actual users and occupiers—the patrons of the service—must pay the tax. No one else can pay it. Except from the fares or rates they pay, there is no other resource from which tax payments can be made.

I did not "urge" the special form of tax on gross receipts, but I see no ethical objection to it. Where franchises are adequately used a tax on gross receipts will take from each patron, in proportion to his use of service, a contribution for a special use of the public highways. If in any case a franchise is not fully used, some remedy could easily be found.

As to conflict between what I have written and the views of Henry George, Thomas G. Shearman and others—there is none. All sound Single Taxers know that ground rent, whether for land privately or publicly owned, must be paid by the user.

As to the unpopularity of exempting utility companies from all taxation, or boldly acknowledging that any taxation of them must be paid by patrons—as to these ideas embracing "false doctrine"—nothing need here be said. Truth and the facts are more important than popularity. No doctrine is false that is sound in principle and adequately supported by logic.

Mr. Bucklin should once more read my original contribution in Nov—Dec. REVIEW.—G. W.