

# \$8 a Gallon for Gasoline?

How many of us would still consider the automobile a wise transportation choice if gasoline cost \$8.00 a gallon? Most of us would scream highway robbery and foam at the mouth in rage—but that is what gasoline would cost right now if automobile transportation wasn't guilty of some of the most massive tax evasion and taxpayer subsidy in history. Even including the cost of car payments, insurance and repairs in addition to the cost of gas and oil, we are paying less than half of the true cost of automobile travel. As a result of not paying the full cost, we use and waste more of it than we would if we paid the real bill.

The additional \$7.50/gallon above the present cost of gasoline and gas taxes represents the user taxes that would be required to pay some of the most obvious costs presently avoided by highway users. Half of it is the cost of congestion, traffic accidents, and air pollution directly resulting from but not charged to the automobile. The other half is coughed up by everyone who pays property taxes—in the form of higher taxes resulting from streets and highways not being included on the tax rolls. A recent study of New York City showed that such tax losses there exceeded \$1.14 billion per year.

Paying \$7.50 per gallon as a gasoline tax wouldn't mean any increase in costs—it is merely the amount that we (or someone else) are *already* paying in hidden subsidies to the automobile. Having to pay the full costs would obviously curtail much of our excessive highway building and use of automobiles and trucks. If we paid the *total* cost of automobile travel at the gas pump each time we chose to use the auto instead of having most costs paid separately in monthly payments, insurance, property taxes, etc., we would be more aware of what we really pay for this service. All included, we would have to pay more than \$15 per gallon of gas—which would make the cost of a bus or train ticket seem the real bargain it is!

Automobiles will become an increasing burden as the cost of fuels and maintenance of our massive highway system increases, and beginning now to pay the real costs would provide an effective stimulus towards less expensive land use and transportation patterns.

For more details on the societal cost of the automobile to New York City and its region, see *Societal Cost Accounting: A New Tool for Planners*, by Brian Ketcham, 1976, available from Citizens for Clean Air Inc., 25 Broad Street, New York, NY 10001.

—Tom Bender