

P.T. Mesdall was in today I think he  
 will do something definite soon and leave the matter.  
 P.O. Box 1000.

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Cable Address  
 "TRUST"  
 MINNEAPOLIS.

CAPITAL, \$500,000.

320 HENNEPIN AVENUE,

Minneapolis, Minn. March 7 1893

Dear Sir: Owing to Senatorial courtesy  
 the famous tax bill has gone over  
 again for a week: we have had  
 it beaten twice. Allen's illness  
 today caused the postponement of the  
 bill. I think we will beat them  
 without fail. C.H. Larnum is Albert  
 Shuffin's candidate for collector when Marcus  
 Johnson goes out. I agreed to speak a  
 good word to you for his behalf but  
 told him I thought you were probably  
 committed by this time so you could do  
 nothing. We have got the Minneapolis  
 Journal and as from now on. I enclose  
 clipping. Linton spent an hour with the  
 Editor this afternoon and tomorrow he will  
 take a stronger position.

Can I rely on getting my matter fixed up before  
 March 15th? My note comes due on that day at  
 the latest. I shall extend it. All  
 as usual.

Minneapolis  
Journal  
March 7  
1893

THE MARKHAM BILL.

THE house has passed the Markham bill and the senate is debating it today. The senate may pass this bill, but the probabilities seem to be that it will not. The most weighty argument in favor of the bill has been Attorney-General Childs' opinion that a tax upon the unused lands of the railroad companies would not disturb the gross earnings tax. With such advice the legislators are in a measure relieved of responsibility for their vote if it should prove that the attorney general is mistaken. That officer has very ingeniously discriminated between exemptions of real estate and personal property and the residuum of the lands of the land grants which, not being essential to the existence or upbuilding of the road, are, he holds, subject to taxation so far as the grants have been made since the adoption of the state constitution.

The conditions are undoubtedly very different with respect to different roads to be affected by the proposed land tax. It may be that the state may modify the provisions



ferent with respect to different roads to be affected by the proposed land tax. It may be that the state may modify the provisions of acts relating to this matter of taxation and exemption as applied to some of the companies affected, but as to others there seems to be good reason to fear that an effort to impose the land tax would result in a successful resistance of the gross earnings tax. One of the reasons for anticipating such a result is the fact that some of the roads presumably most deeply interested are offering no opposition to the Markham bill. THE JOURNAL is advised that if this bill should pass the taxes of the Great Northern road would be reduced from about \$250,000 to about \$150,000 a year—upon the theory, of course, that the Great Northern could then successfully resist the gross earnings tax. This may explain why the Great Northern is not making any serious opposition to the bill. If it could escape the payment of \$100,000 a year in

There is one point in this connection that seems to have received too little attention, and that is the claim that the lands are already taxed. That a gross earnings tax is not in reality a gross earnings tax. Gross earnings must of necessity include some earnings earned in other states and some earnings earned in this state must of necessity pass out into other states and cannot be followed. The tax on gross earnings is a fiction. The phrase, gross earnings' tax, is only a convenience to express something else. The so called gross earnings' tax is in reality a tax of 3 per cent, not on gross earnings, but upon all property owned by the railroad company, including unused lands, the amount of the tax being measured by the gross earnings at the rate of 3 per cent. Such has been the definition of the courts. If that view be maintained then the unused lands are taxed as much as any other property, and the Markham bill simply proposes double taxation, which, of course, would not stand the test.

The fact is that this bill passed the house without serious consideration. The people of the northern part of the state want it and if the land tax can be collected without loss of the gross earnings tax no one can blame them for wanting it. The house wanted to please them. There was politics in it. Nobody dared to oppose it. But the state at large is much more vitally interested. The cities could stand it if the gross earnings tax should be destroyed. They have the bulk of the valuable property belonging to the companies. But a measure which threatens the loss to the whole state of revenue amounting now to a million and a quarter of dollars, for the sake of gaining less than \$100,000 is too important to be rushed through for political effect. If it should do what a great many wise counsellors assure the state it will do, the Republican majority could not be guilty of a worse political blunder. Let the matter have the most careful consideration. It is one of the most important measures ever brought before the legislature, not in what it may do, but what it may undo.