

Speech of
Ex-Governor W. A. MacCorkle
On Tax Affairs of the Republican Party

Delivered at Charleston

Sept. 27, 1912

MR. CHAIRMAN AND GENTLEMEN :—

The republican party, through Auditor Darst, has issued a statement which attempts to explain the system of taxation in effect and excuse the increase in taxation within the last sixteen years of republican rule. The whole effort of Auditor Darst seems an attempt to show that larger sums have been wrung from the people and that the state tax has been reduced.

The statement of the Auditor of the State is the ablest exposition of the reasons for republican action that has been brought forth by that party. As he has practically collected the great bulk of the money of the people we take it that his statement is correct.

In the first place, let us do away with the oft-repeated falsehood which was re-vamped in the explanation of the Auditor, that the democratic party left an empty treasury. Let us inspect the cold figures as to this proposition:

There was in the state treasury on September 30th, 1896, which date is the last report under my administration, the sum of \$827,329.-43. When my administration began there was only \$482,604.41 in the treasury. Can any republican administration make as good showing? A larger sum than this was turned over by actual receipt to the republican treasurer, and the statement which has been made repeatedly by the republicans, that the democrats left an empty treasury is totally untrue. Practically a million dollars was turned over to the Republican treasurer by Colonel Rowan, the last democratic treasurer.

For nearly sixteen years the republican party has devoted itself

to increasing the burden of taxation on the citizens of the state. Auditor Darst devotes the greater part of his speech to a paean of triumph and an expression of glorification of the republican party for their collection of large sums of money, an increase of taxation. With a shout of joy he exclaims that under Governor MacCorkle's Administration there was only expended for humane and educational institutions, in round numbers, \$412,000.00, and under Governor Glasscock's there was expended \$864,000.00. He further exclaims that under republican rule, in 1911, \$125,000.00, in round numbers, was collected from insurance companies, and under Governor MacCorkle's Administration there was collected from this source only \$22,000.00.

He further shows, as if it was a proposition to be proud, that the state, under the republican administration of 1911, collected \$801,000.00 from licenses, and under the democratic administration of 1896 only \$132,000.00, and that they have increased the amount of taxation derived from inheritances, charters, insurance companies and corporations.

It is conceded that the republicans collected larger amounts in 1911 than the democrats did in 1896. That is the real controversy existing between the parties in this state. It is the controversy which has existed at all times between the people and the unjust taxing authorities. The democrats believe that small and necessary taxation, honestly applied, is all that is necessary. The republicans have been crying "tax reform," yet at the same time have been steadily increasing the aggregate of taxation. The people now understand this deception, and they are demanding of the republican party a statement of the situation, and that is why Auditor Darst enters into the elaborate excuse and explanation of their financial affairs within the last sixteen years. The Auditor's whole argument is that they are expending twice as much money as the democrats did, and have during that time done away with the state tax, and that the taxation has been reduced. Let us discuss this proposition:

We say that it is true that they are collecting much more money than did the democrats, that it is not necessary and that the reduction of the state tax is a small matter. Taxation must be considered in the aggregate, and the ultimate amount of money taken from the people will settle whether or not taxation has been reduced, and the reduction of taxation is the claim which the republicans have made more vociferously than any other proposition before the people.

The democrats claim that the tax laws inaugurated by the republican party have increased the burdens of the people, that the money has not been efficiently spent but that it has been squandered in the administration of the affairs of the state. The one great cry of the republican party has been the reduction of taxes. Let us look at the cold figures as compiled, not by democrats, but by the republican administration, and taken at the time which best suited them for the purposes of illustration, that is, the period between 1904 and 1910.

The republican scheme of "reform in taxation" began in 1904. It was in full effect in 1909. What has been the result? Has taxation been reduced? As shown by the figures, the aggregate amount of taxes for state purposes, for state school purposes, for county purposes, for district road purposes, for railroad debt purposes and for municipal purposes, for all purposes has been steadily and enormously increased. Here and there a farm may have been lessened in taxable valuation, a factory decreased where it has suited the whim or the favoritism of the powers that be, but this is no criterion. The burden of taxation, in the aggregate in every county has been enormously increased upon the people. We challenge contradiction of this proposition. Let us take each county:

| County. | Tax levied for 1904. | Tax levied for 1910. |
|------------------|-------------------------|-------------------------|
| Barbour | \$ 96,420.00 | \$122,187.00 |
| Berkeley | 115,015.00 | 156,673.00 |
| Boone | 26,081.00 | 66,712.00 |
| Braxton | 71,214.00 | 109,212.00 |
| Brooke | 76,974.00 | 132,758.00 |
| Cabell | 257,635.00 | 413,463.00 |
| Calhoun | 29,205.00 | 38,827.00 |
| Clay | 38,236.00 | 48,971.00 |
| Doddridge | 83,928.00 | 103,520.00 |
| Fayette | 178,396.00 | 296,091.00 |
| Gilmer | 39,362.00 | 53,377.00 |
| Grant | 35,641.00 | 47,046.00 |
| Greenbrier | 116,608.00 | 152,239.00 |
| Hampshire | 50,205.00 | 56,563.00 |
| Hancock | 63,583.00 | 91,436.00 |
| Hardy | 30,297.00 | 42,693.00 |
| Harrison | 265,667.00 | 533,557.00 |
| Jackson | 91,641.00 | 91,374.00 |
| Jefferson | 107,341.00 | 117,406.00 |

| | | |
|------------|----------------|----------------|
| Kanawha | 293,810.00 | 666,310.00 |
| Lewis | 93,352.00 | 142,578.00 |
| Lincoln | 39,301.00 | 105,591.00 |
| Logan | 20,391.00 | 91,924.00 |
| Marion | 290,348.00 | 486,688.00 |
| Marshall | 214,348.00 | 319,719.00 |
| Mason | 118,864.00 | 121,244.00 |
| Mercer | 133,912.00 | 292,556.00 |
| Mineral | 100,093.00 | 120,344.00 |
| Mingo | 93,406.00 | 167,245.00 |
| Monongalia | 176,023.00 | 313,745.00 |
| Monroe | 58,111.00 | 60,552.00 |
| Morgan | 39,031.00 | 58,711.00 |
| McDowell | 148,515.00 | 278,885.00 |
| Nicholas | 50,372.00 | 109,236.00 |
| Ohio | 513,547.00 | 803,043.00 |
| Pendleton | 26,139.00 | 37,472.00 |
| Pleasants | 57,228.00 | 70,407.00 |
| Pocahontas | 47,268.00 | 111,553.00 |
| Preston | 121,812.00 | 185,399.00 |
| Putnam | 54,885.00 | 58,399.00 |
| Raleigh | 57,928.00 | 136,748.00 |
| Randolph | 124,526.00 | 203,431.00 |
| Ritchie | 103,134.00 | 117,224.00 |
| Roane | 61,983.00 | 91,774.00 |
| Summers | 64,098.00 | 94,598.00 |
| Taylor | 121,330.00 | 152,801.00 |
| Tucker | 87,224.00 | 121,511.00 |
| Tyler | 117,239.00 | 154,026.00 |
| Upshur | 73,975.00 | 103,713.00 |
| Wayne | 94,342.00 | 151,512.00 |
| Webster | 45,882.00 | 67,135.00 |
| Wetzel | 156,219.00 | 246,285.00 |
| Wirt | 34,708.00 | 32,783.00 |
| Wood | 369,862.00 | 412,197.00 |
| Wyoming | 32,254.00 | 82,404.00 |
| Total | \$6,008,760.00 | \$9,459,280.00 |
| Increase | \$3,450,517.00 | |

Will any further argument be needed? This statement is not a

fair one to the democrats. I have taken the battleground of the republican party and have used the figures from 1904 to 1910, which is the great field which they have themselves vouchsafed to us. From 1904 to 1910 has been the great triumph of republican taxation, yet the figures show that under their so-called "reform of taxation" they have enormously increased the burdens of every county in the state with two exceptions, and those are the Counties of Wirt and Jackson, whose aggregate has diminished less than \$2,000.00. The aggregate of taxation is the sole question, and this aggregate shows the tremendous burden which the republicans have placed upon the people of West Virginia within five years of tax legislation.

As a specific illustration take the County of Kanawha. In 1904 the assessed valuation of Kanawha, when the republicans began their system of "scientific taxation" and the lessening of the burdens on the people, the aggregate of assessed valuation in Kanawha County was \$11,913,000.00, in round numbers. With their laws in full force in 1909 the assessed valuation was \$57,108,000.00, in round numbers, an increase of assessed values under "scientific taxation" of \$45,105,000.00. In 1904 the amount of the levy which was paid by our county people was \$291,000.00. In 1909, when the Dawson Tax Laws were in full and glorious effect, there was wrung from the Kanawha people \$480,000.00, and this year it will amount to fully \$550,000.00 and this is exclusive of the municipal tax. This is not exceptional. It is proven by an inspection of the tax records of every county in West Virginia.

Let us take as further illustration the state in its entirety:

For state purposes, for state school purposes, for county purposes, district road purposes, teachers' fund, building fund and special fund there was assessed in 1904, on real estate, on personal estate and on property assessed by the Board of Public Works a total of \$3,728,000.00, which, including municipalities \$2,280,413.00, made an aggregate of \$6,008,763.00. Now, for the same purposes in 1910, under their "tax reform," the taxes levied were \$5,482,930.00, for municipalities \$3,976,350.00, or a total of \$9,459,280.00, or an increase in five years of the taxes levied in the state of \$3,450,517.00. Can this be "tax reform," which adds over three million dollars of taxation to our people in five years?

I must be excused for dealing so largely in figures in this address, but it is the only way to absolutely disprove the high flown statements of the republicans, that taxes have been lessened. Let us proceed:

The assessed value of all property in West Virginia in 1904 was,

outside of municipalities, in round numbers, \$187,000,000.00. In 1910 it was raised to \$763,000,000.00, an increase of \$576,000,000.00. With the municipal assessment \$92,000,000.00 in 1904, which grew to \$357,000,000.00 in 1910, there is an increase of \$265,000,000.00, making a total assessed value of all property in this state of \$1,119,000,000.00 in 1910 against \$279,000,000.00 in 1904, or an increase of taxable valuation of the almost fabulous sum of \$821,000,000.00 in five years. The effort of the republican party has been to show that this enormous increase was largely upon the corporate property of the state, and that real and personal property is, under the "reform laws," practically relieved of taxation. This is not borne out by the facts, the bulk of taxation is on real and personal property. Let us see:

The assessed value of real estate in 1904, outside of municipalities, was \$113,000,000.00, in round numbers. It was raised to \$400,000,000.00 in 1910, in round numbers, or an increase of \$287,000,000.00, which with an increase of the municipal assessment from \$56,000,000.00 in 1904 to a total of \$202,000,000.00 in 1910 makes an enormous increase in the assessment of real estate from 1904 to 1910 of \$433,000,000.00, or a total of assessed valuation of real estate from 1904 of \$168,000,000.00 to \$601,000,000.00, in round numbers, in 1910. Does not this show, without further argument, upon whose shoulders falls the burden of "reform taxation."

Let us see how the merchant and the other owners of personal property fare under the new system. We will take the assessed value of personal property with the districts and municipalities. In 1904 the total assessed value of personal property in the state was \$80,306,000.00. In 1910, under republican manipulation of values, the assessed value of personal property was raised under "reform" to \$235,795,000.00, an increase in five years of \$155,489,000.00. This statement does not bear out the boast of the republican administration that the increase in assessed values in this state was borne by corporate property. It is borne by the farmer, the small tradesman, the householder, the land owner and the people engaged in the general occupations of the state.

Listening to republican orators you would imagine that real estate and the general personal property of the state was not taxed at all, but whilst the truth is that these two items of taxable value in 1910 amounted to the enormous taxable valuation of \$836,000,000.00 out of a total assessed value of all property of \$1,119,000,000.00. This leaves only \$283,000,000.00 of valuation for all the rest of the property in the state, showing that under republican management of state af-

fairs the great brunt of increased taxation is borne by land and personal property belonging to the citizens of the state. The contention of the republican party, that the corporations under the republican system bear the brunt of taxation is shown to be false by the percent of taxes levied for 1904 and 1910. In 1904 the percentage of taxes levied on real estate was 60-1/10. For 1910 it was 54-5/10, showing that there was only a reduction of the percentage of taxes levied on real estate of 5-1/2%. This same proposition is shown by the percentage of taxes levied in 1904 on personal property, which at that time was 29-3/10, but in 1910 was 22-5/10, a difference of only 6-4/5%.

In plain words, notwithstanding the claim of the republican party that it has shifted the burden of taxation from the real and personal property of the state to the corporate property within the state, we find that the real property, while increased enormously in its valuation and vastly increased in its aggregate taxes, has only had its percentage of tax levy decreased five and one-half percent. and personal property only six and four-fifths per cent., a decrease in percentage of levy scarcely to be considered when confronted with the enormity of an increase in the valuation of personal and real property of \$588,000,-000.00 in five years and an ^{increase} income in taxes actually paid of more than \$3,000,000. Who pays the tax on this enormously increased valuation of real and personal property? We answer the farmer and the merchant.

The republicans take great glory to themselves that they are carrying on the state institutions, and say they are paying double the amount for maintaining them without any state tax. This is a specious explanation of the situation in which they find themselves, and when analyzed their claim amounts to nothing. It is idle for them to segregate the state taxation from the general taxation.

Upon reading the brief of Auditor Darst it would seem that the state taxation is all of the taxation. As a matter of fact it is a small part of the taxation. Now, taxation consists of the tax for state purposes, for state school purposes, for county purposes, for district road purposes, for teachers' fund, building fund and for special county purposes and for municipal purposes. The state tax is a small portion of the general tax.

As an illustration in 1904 the state tax was, in round numbers, \$460,000.00, in a general aggregate of \$3,700,000.00 of total tax the state tax was about 9% of the whole aggregate taxation. The important tax is the tax for county purposes, for district road purposes, for teachers' and building fund and for municipal purposes. In an aggregate of taxes levied for 1904 of \$3,728,000.00 the county tax

amounted to more than a third of the total taxation. The district road tax amounted to a sixth and the teachers' fund to nearly a third. These taxes are the ones which have been increased and are the important taxes, and the state tax is but a small part of the general scheme of taxation. If the whole state tax was done away with it would scarcely be felt, because it is such a small portion of the taxes. How relatively unimportant it is, is shown by the fact that last year whilst they had reduced the state tax to two and one-half cents in 1911 as against the thirty-five cents on the hundred valuation of the property in the state in 1896, still with this enormous increase in valuations the republicans last year collected \$476,769.80 of state tax against \$422,444.90 collected by the democrats in 1896 or \$54,324.90 more than the democrats collected on the 35c per hundred valuation in 1896. This statement shows the small importance of the diminution of the state tax, and it shows the enormity of the vast increase of valuation. To believe them you would think that the state tax was all of the tax. It is relatively unimportant. It is immaterial to the tax payer how the tax is analyzed and separated if in the aggregate he pays larger taxes than he did under the democratic administration. We have shown that the aggregate of taxes paid by the people in this state is now, under "reform taxation," more than three million dollars greater per year than paid before. Is it not time for the republicans to cease crying that they have reduced taxation?

The increased amount of taxation upon the real and personal corporate property of the state is not the whole story. Every other taxable item in the state has been enormously increased. The greatest ingenuity has been exerted by the republicans to call the peoples' attention away from the increase of taxation, but they have pursued diligently every item of taxation which could be dug up from the toil of the people. Let us look at some of the increased items of taxation boasted of by the Auditor.

In his remarkable statement he shows, with enormous glee, that under my administration we only collected \$132,000.00 from licenses, but that under republican administration there was collected \$801,000.00. We grant that is true. The licenses came from many sources. Running hotels, restaurants, theatres, manufacturing and selling liquors, tobacco, hucksters, picture shows and many other subjects too numerous to mention in a public discourse, pay the license tax. The reason the republicans collected the larger amount as against the smaller amount is simply because they have increased the taxation on all of the items to which licenses are subject, and because the demo-

crats only collected sufficient taxes to economically run the state. They have trebled the whiskey license, so with the hotels, so with the hucksters and so with numerous other things subject to license. But, we inquire, who pays the tax? The people. The license tax inheres into the very body of the people and it reaches every part of our social, state and municipal life, and the increase of this tax bears directly upon the people and is only an added burden under the republican administration of the license law of the state. We grant that the republicans have collected nearly \$700,000.00 more license tax than did the democrats, but the larger amount was not necessary under an economical democratic administration, nor is it necessary today.

In the comparison, instituted by the Auditor, he mentions, among other things, automobiles; that he collected from automobiles \$19,000.00. The democrats collected nothing. This is an illustration of the argument of the republican administration in their comparative statement. There were no automobiles in 1896 from which the democrats could collect taxes. They have taken to themselves the increase in natural values wherever there may be any.

And here, let us for a moment consider the republican position in reference to matters of this kind. The increase in all the things of life arising from the enormous inventive period for the last twenty-five years has been taken to their breast as their own by the republicans of West Virginia. Whilst the vast amount of this increase in the matters applying to corporate taxation and license taxation has been exploited to its fullest, yet many of the matters pertaining to this class of taxation have practically had their being within the last twenty years, or since the republicans came into power in West Virginia. The triumphs of invention have had in that period their fullest sway. Electricity, the greatest factor excepting steam in modern life, was just born when the democratic party left the state house at Charleston. During my administration I collaborated with General Meany as to the bringing of the first long distance telephone into this state. It was then in its infancy. Natural increase has made it a vast item in taxation. During this period under consideration, the output of automobiles leaped in the United States from 5,000,000 to 250,000,000, an increase of over 5,000%. During the same period the production of wire, due to the inventions for its creation, sprang from 9,000,000 to 90,000,000, an increase of 800%. The output of phonographs increased from 2,000,000 to 12,000,000, a growth of 324%. The production of electrical machinery from 92,000,000 to graving grew from 4,000,000 to 11,000,000, an increase of 170%.

221,000,000, an increase of 140%. The output of photo en-Photographic processes from less than 8,000,000 to over 22,000,000. an increase of 198%.

These illustrations show the enormous increase which has come about from American invention in the last twenty years. The opportunity for an honest increase in the license taxes of the state is shown by the picture shows, none of which were in existence in democratic times, but still the increase from whatever source or reason it came about is paid by the body of the people.

It is germane at this point to consider the increase in street car lines, in oil and gas companies assessed by the Board of Public Works. Reading the speech of the Auditor and listening to discussions of republican orators, it would seem that the increased taxation from this line of properties was purely brought about by the ability, the care and the foresight of the republican tax gatherers, and was created by the tax laws inaugurated by that party. They do not admit that the electrical railroad is practically a creation of the last twenty years, and that its natural increase has been enormous and has afforded them a great field for their increase of taxation. They do not tell you that pages upon pages of their reports are filled with new gas and oil companies, which have come into being in the last few years, new discoveries, new creations from the vast wealth which the Creator has vouchsafed to West Virginia. Yet, with all, with infinite complaisance they take these great subjects of taxation to their hearts as if they were created by the Dawson Tax Laws. The real progress of the state was under Democratic control. They inaugurated its progress, which has been retarded by republican fiscal management. The \$132,000.00 collected by the democrats from licenses was sufficient and there was no necessity to wring more from the people.

The Auditor, in his discussion, exults in the fact that the democrats only collected \$22,000.00 in 1896 and 1911 the republicans collected \$125,000.00 on insurance tax. It is not necessary to say that there has been a great increase in insurance companies within the state, because that is self-evident. As a matter of fact, the republicans have increased the amount of taxes on the insurance companies. Under the present law the insurance companies pay 2% on gross premiums. Heretofore they paid one-half of one percent. on amount insured.

Who pays this increased amount? The people. The republicans have done nothing to reduce the exactions of the greatest trust on earth, the insurance trust, and today, taking into consideration the improved condition of fire and other protection, the people of the state are paying to the insurance companies a greater rate of premium

than they paid in 1896, and the increased taxation has just been added to our insurance account.

Another subject of glorification with our friends is the fact that they increased the license tax on charters from \$80,000.00, under the democrats, to \$421,000.00, under the present administration. Consider this item for a moment. It has been one of the great stars of the republican firmament. When the "reform" of West Virginia taxes was begun by the republican party the state had a very largely growing charter tax. Many of the people in other states engaged in corporation matters came to West Virginia for their licenses. The "reform" of the republicans was along the lines of making the outside people pay a larger tax than the citizens of our state, and they increased both the outside and the domestic tax on corporations. The result was that the people outside of the state quit coming into West Virginia, and left our own people the great burden of paying these enormously increased charter taxes. Within the last twenty years there has been the greatest growth known to corporate enterprise. Everything is done through the instrumentality of corporations. The result is that this increased tax on corporations is paid largely by the people of our state, and every man who starts an oil company or an ice plant or a coal company or a mercantile company, or any one of the thousand affairs of business, through the instrumentality of a corporation, is compelled to pay this enormously increased tax. Who pays this tax? Practically the people of our state. It is a burden upon every citizen of the state going into business through the every day plan of a corporation. There is scarcely a mercantile establishment, scarcely any kind of going concern which formerly worked through a partnership, which has not under the latter day plan adopted the form of a corporation, and the people pay the increased bill. If it had been needed the democrats would have collected more, as it was not needed they left it in the pockets of the people.

At the risk of being at length let us take up a further item of increased taxation exploited by the Auditor. The collateral inheritance tax, which he says produced \$3,300.00 a year during the democratic administration, now averages about, \$100,000.00 a year. This is cited as but "one of the many samples of republican efficiency and statesmanship." Ex-Tax Commissioner Townsend, in his biennial report, cites that the first inheritance tax law was passed in 1887, and shows that from 1887 to 1894 there was collected from this

source, in round numbers, \$55,000.00, and further discusses the proposition of the great increase from 1906 to 1909 of the inheritance tax, and he says these figures show the phenomenal increase in revenue from this source, and is a splendid illustration of what it means to vigorously and energetically enforce the law. Practically the same contention is made by Auditor Darst, and he shows that they amended the law in 1909, and Commissioner Townsend says that the session of the Legislature of 1909 "amended slightly" the inheritance tax law. This is a fair example of republican argument and statement. The law has been absolutely changed from the law under which the democrats collected the amount of collateral inheritance tax. It was then truly a collateral inheritance tax, and it imposed a tax on all property, except that which passed to the father, mother, wife or children or any lineal descendants on the hundred dollars of the value of the decedent's estate, and so if a man dying had a father, mother, wife, children or lineal descendants they imposed no such tax. Few people died who did not have a father, mother, wife, children or lineal descendants and, of course, there was little tax collected therefrom. In 1904, under the "reform" instituted by the republican party, the law was amended, leaving the exemptions as in 1887, but provided that the amount of such taxes should be 3% of the market value of the property transferred by it, if transferred to the brother or sister of the deceased grantor, vendor, bargainer or donor, 5% if to his grandfather or grandmother and 7½% if to any other person or to any corporation. In other words, the taxation under the act of 1894 was three times as great as under the law of 1887, but in 1907, the Legislature enacted a law placing a tax on the property passing at the death of the property owner, and made no exception as to wife, husband, child or lineal descendant, so that as to any person dying after 1907 there was imposed on the estate this burden of taxation, even though it was left to his wife, husband or children. In other words, instead of a *collateral* inheritance tax the republicans have passed a *direct* inheritance tax which mulchs every man who dies in taxation. If the democrats had so desired to tax a man when he died, as well as when he lived, they could have collected this enormous sum of money from the people. Who pays this tax of which the Auditor boasts as one of the crowning consummations of republican statesmanship? We reply every man who is fortunate enough to have a little property and dies and leaves it to his wife and children. Under the theory of the republicans not only is the

citizen taxed to death when he lives, but when he dies he is compelled to give his tithe to the tax gatherer, and this, notwithstanding the fact that the property is taxed while it is in the ownership of the decedent and taxed when it goes into the hands of his heirs.

Throughout the whole defense of the republican administration of affairs for sixteen years there runs one continuing thread, and that is the increase of taxation. We grant that taxation has been enormously increased and this is the burden of our complaint, that thousands of dollars have been raised during this administration as against hundreds raised during democratic administration. This is what has deluged the world with blood. This has been the complaint of men from all times, that they were unduly taxed, and this today is the complaint of the people of West Virginia.

The "reform" consisted in increasing the tax valuations of property and the tax levy to an enormous amount and then exploiting the fact that they had reduced the state tax. It is not the state tax which counts in the burden of aggregate taxation. It is the levy for county purposes, which amounts to about a third of the whole aggregate taxation and for district road purposes, for teachers' fund and the building fund, each of which amounts to more than the state tax.

Our contention is that the smallest amount of tax should be levied, unless it is shown that a larger tax is necessary. We believe that the democrats levied a sufficient amount of tax, and we charge that the increased taxation has not been demanded by any good reason, and that the money so raised by taxation has not been justly and economically expended.

From the beginning of their administration to the present there has been one increased cry for "more taxes." Whilst they have added to our burdens in enormous sums they have held out to the people the destruction of the state tax. The result of their system is this: They have increased the valuations of real and personal property to an tremendous extent; they have enormously increased the amount of our taxes; they have reduced the state tax. They have levied on the corporations as large taxes as the courts will allow them to do. They have increased licenses everywhere. Still their expenditures have increased to an enormous proportion. What is the result? They can not increase the corporation taxes. They can not increase the taxation on railroads. They cannot increase the license taxes, and it is but an easy thing to add a few cents to the levy under a law passed by the Legislature, and the farmer, the merchant and the home owner

will appreciate how easy it is to increase the levy by legislation. This is the easy thing to do and this is what will be done. The tax valuations can never be decreased, and when the increased amount of republican expenditures demand it a few cents on this enormous valuation will easily create millions of dollars, to be thrown away under a careless administration of state affairs. As Commissioner Townsend says, "If the rates are increased look out for the breakers. If there were more economy practised in the expenditure of the money now raised, an increase would not be thought of. When the strictest economy is applied and there yet remains the necessity for additional money, then will be the time to increase the rates and not before." This is the pleasant prospect before the people of West Virginia under "tax reform," the machinery which has been provided for this work. The assessments under "reform" are made every year. The assessors are under the control of the Equalization Board, appointed by the Board of Public Works, and it only needs a twist of the thumb to raise millions. The machine is practically automatic.

I have shown from the figures of the republicans that taxation has been enormously increased in its aggregate in West Virginia under republican administration. Is this increase justified? Can any reason be shown for it? We grant that the population has been increased, and that considered by the rule of population and natural growth of the state that taxation should fairly increase the amount necessary to be raised. In 1896 the population of the state was 900,000, in round numbers, and in 1910 it was 1,200,000, an increase of 300,000 persons or 33 1-3%. I will show you that the increase in appropriation by the Legislature alone amounts to 115%. This does not take into consideration more than three million dollars of increase in the county levies, the school, the road, the district and municipal taxation brought about by the "reform" methods of the republicans. Is there any other reason why the enormous increase in taxation can be justified? We know of none. If they were compelled to create a state or to make necessary expenditures they would be excused, but let us look at the record.

The state was taken over by the democrats in 1872, and they administered it until 1896, a period of 24 years. This was during the creative period of the state. The coal production was practically in its infancy. It was not known that there was any oil, except in a small portion of the state. The vast fields of oil and gas which have been created and the thousands of companies which have been organiz-

ed have increased the means of taxation which were not known in those days. The timber of the state was just beginning to be exploited. Yet, notwithstanding this, the democrats turned over to the republicans a treasury with a million dollars in it, a University of over five hundred students, two insane asylums, a penitentiary, a reform school, a deaf, dumb and blind institution, two colored institutes, five normal schools, a state capitol built and equipped, a free school system upon which they had expended enormous sums, an irreducible school fund of nearly a million dollars, and a state in full running order with all its institutions in complete condition. This was done by the democratic party in the formative period of the state.

Now, what has been done by the republican party to demand any further increase in aggregate taxation? It is true they added the Virginia debt of \$7,000,000 to our burdens, but they were not yet begun to tax the people to pay it. They found a state equipped and running. They have added an insane asylum at Huntington. They have built an annex to the capitol. They have established a tuberculosis institution which is not yet completed. They have built three miners' hospitals and a branch of the University at Montgomery. The state, with few exceptions, is being administered under the same constitution as that under which the democrats administered its affairs. The Legislature has been increased only a few members. What has been the necessity for the increase of the burdens upon the people? We reply, that the affairs of the state have not been administered economically, that the taxes have been uselessly expended and that willful extravagance has been shown in their administration of the affairs of this state.

Let us look at the appropriation for the state made by the Legislatures respectively, under democratic and republican control. We will consider the enormous increase of appropriation under republican administration, and ask if there can be any justification for the same:

| | | |
|-----------|--------------|----------------------------------|
| 1893..... | \$752,736.97 | } MacCorkle's Administration. |
| 1894..... | 634,972.17 | |
| 1895..... | 691,422.36 | |
| 1896..... | 687,002.55 | |
| | | \$2,766,134.05 |
| 1897..... | \$914,883.40 | } Atkinson's Administration. |
| 1898..... | 706,248.22 | |
| 1899..... | 976,562.49 | |
| 1900..... | 976,935.23 | |
| | | \$3,574,629.34 |

| | | |
|-----------|----------------|---------------------------------|
| 1901..... | \$1,195,967.27 | } White's Administration. |
| 1902..... | 1,122,686.71 | |
| 1903..... | 1,549,413.25 | |
| 1904..... | 1,439,433.89 | |
| | | <hr/> |
| | | \$5,307,501.12 |
| | | |
| 1905..... | \$1,502,841.82 | } Dawson's Administration. |
| 1906..... | 1,463,756.40 | |
| 1907..... | 1,676,515.40 | |
| 1908..... | 1,394,710.00 | |
| | | <hr/> |
| | | \$6,037,823.62 |
| | | |
| 1909..... | \$3,101,042.00 | } Glascock's Administration. |
| 1910..... | 2,860,266.00 | |
| | | <hr/> |
| | | \$5,961,308.00 |

That is for the four years covering Governor MacCorkle's Administration \$2,766,134.05

That is for the four years covering Governor Atkinson's Administration \$3,574,629.34

That is for the four years covering Governor White's Administration \$5,307,501.12

That is for the four years covering Governor Dawson's Administration \$6,037,823.62

That is for the four years covering Governor Glascock's Administration \$5,961,308.00

That is to say, the cost of Atkinson's Administration exceeded MacCorkle's Administration by \$808,495.29.

The cost of White's Administration exceeded MacCorkle's Administration by \$2,541,361.07.

The cost of Dawson's Administration exceeded MacCorkle's Administration by \$3,271,689.57.

The cost of two years of Glascock's Administration exceeded MacCorkle's Administration by \$3,185,173.95. An increase of 115% of appropriation against an increase of population of only 33 1-3%.

This speech, already extending its expected limits, will not admit of much further detail. I will endeavor, however, to show by a few further illustrations what has become of the money wrung from the people by this increased taxation. Auditor Darst, in his statement, discusses the fact, with much disapprobation, that during my admini-

stration there were only expended in 1896 \$30,953.75, whilst in 1911, under republican administration, there was expended \$165,658.00 on the State University. As an illustration, let us compare the expenditures for the two years for the University and we will have a fair example of what has become of the people's money in the administration of other institutions of the state:

| | |
|---|---|
| Total Expenditures for the West Va. University as follows: | Total Expenditures for the West Va. University as follows: |
| 1896 | 1911 |
| Current Expense\$5500 | Current Expense\$31,327.85 |
| Grading 300 | Repairs & Improve- |
| Board of Regents..... 600 | ments 33,463.65 |
| Cadet Books 800 | Salaries of teachers &c. 90,064.81 |
| Additional Grounds 3000 | |
| Repairs 500 | \$154,856.31 |
| Salaries, Teachers, &c....19500 | |
| Total30200 | |
| Enrollment in 1896..... 420 | Enrollment of 1911..... 1,041 |
| Teachers 29 | Teachers 104 |
| The above does not include salaries paid from fees. | The above does not include salaries paid from fees. |
| Cost per capita.....\$71.90 | Cost per capita.....\$148.75 |

Does anyone intimate that this institution is better run than it was in 1896? Will anyone say that the men it turns out today are superior to the splendid men that it sent from its doors in 1896? Will anyone argue that it is better as a school than it was at that time? Yet, by a comparison of the cold figures it requires twice as much per capita to teach a man at the University as it did then. Can anyone explain 104 teachers to 1040 men, or an average of one teacher to every ten students. This is a fair illustration of their management of the state's finances in reference to the institutions of the state. Is further illustration needed?

It seems to me that Auditor Darst considered badly when he mentioned the University as an example of republican management. If it was not for the misdeeds of the republican party the University of West Virginia would be an absolutely self-supporting institution and with an income of one-half a million to a million dollars a year. Under the Acts of Congress of 1862 and 1864, there was allotted to the University 150,000 acres of land at a valuation of a dollar and a quarter an acre. This allotment, which has been economically managed by the several states, has made the universities of the West and

North-West potent and rich, but the West Virginia Legislature, composed entirely of republicans, sold to one of their henchmen this magnificent domain for \$40,000.00 or \$50,000.00, thus taking away from the children of our state the patrimony which belonged to them by right. This domain should have been worth millions of dollars, and if the land scrip representing it was sold at the price which it was worth instead of being ruthlessly sacrificed the University today would be extending its influence everywhere in this country, and it would have been far more than self-supporting and not needing a dollar of the taxation which has been taken from the people for its support.

As a further illustration let us take the legislative expenses in the state and compare them, the republican with the democratic, and let the figures themselves show what has become of the money wrung from the people by this increased taxation:

LEGISLATIVE APPROPRIATIONS FOR LEGISLATIVE EXPENSES FOR THE REGULAR SESSIONS OF 1893, 1903, 1907 AND SPECIAL SESSION OF 1908, RESPECTIVELY:

| Session of 1893. | Last Democratic Legislature. | | |
|---------------------------|------------------------------|---------------|-------------|
| | <i>Senate.</i> | <i>House.</i> | Total. |
| | 26 Members. | 71 Members. | |
| Contingent Expenses | \$1,700.00 | \$3,000.00 | \$4,700.00 |
| Mileage | 1,107.00 | 2,757.00 | 3,864.00 |
| Per diem | 4,770.00 | 12,870.00 | 17,640.00 |
| Attaches | 3,852.00 | 5,409.50 | 9,245.00 |
| Total | \$11,412.90 | \$24,036.50 | \$35,449.40 |
| Session of 1903. | 30 Members. | 86 Members. | Total. |
| Contingent Expenses | \$6,500.00 | \$8,000.00 | \$14,500.00 |
| Mileage | 1,239.00 | 3,519.10 | 4,758.10 |
| Per diem | 5,490.00 | 15,570.00 | 21,060.00 |
| Attaches | 11,629.00 | 12,520.00 | 24,149.00 |
| Total | \$24,858.00 | \$39,609.10 | \$64,467.10 |

| Session of 1907. | 30 Members. | 86 Members. | Total. |
|---|-------------|-------------|-------------|
| Contingent Expenses | \$20,000.00 | \$15,000.00 | \$35,000.00 |
| Mileage | 1,156.00 | 3,569.80 | 4,725.80 |
| Per diem | 5,582.00 | 15,570.00 | 21,152.00 |
| Attaches | 21,373.00 | 12,250.00 | 33,623.00 |
| Total | \$48,111.00 | \$46,389.80 | \$94,500.80 |
| | | | |
| Special Session of 1908. | 30 Members. | 86 Members. | Total. |
| Mileage | \$1,123.60 | \$3,354.40 | \$4,478.00 |
| Per diem | 4,392.00 | 12,384.00 | 16,776.00 |
| Attaches | 12,780.00 | 7,056.00 | 19,836.00 |
| Total | \$18,295.60 | \$22,794.40 | \$41,090.00 |
| | | | |
| Legislative expenses for Session of 1909..... | | | \$98,860.00 |
| Legislative expenses for Session of 1911..... | | | \$51,005.00 |

If you will but notice, the whole expenses of the democratic Legislature of 1893 amounted to \$35,449.40. The mere attaches of the republican Legislature of 1903 amounted to, in round numbers, \$24,000.00, and the contingent expenses to \$14,000.00. These two items alone amount to more than the whole expenses of the democratic Legislature of 1893. Now, there is no explanation for the increase of legislative expenses, unless they are wantonly increased, because the same number of attaches are necessary, the same contingent expenses are necessary, and unless they are unnecessarily increased the expense should be exactly the same from one session to the other.

During the Session of 1907 the expenses amounted, in round numbers, to \$95,000.00. The mere contingent expenses of that Legislature amounted to \$35,000.00, which is as much as the whole cost of the democratic Legislature of 1893, mileage, pay and expenses all included. The expenses of the attaches of that Legislature amounted to within \$2,000.00 of the whole expenses of the democratic Legislature of 1893.

The Special Session of the Legislature of 1908, amounted to \$41,000.00, \$6,000.00 more than the regular Legislature of 1893.

The republicans say that the time is so far apart that conditions have changed between the last democratic Legislature and the republican Legislature. Let us see as to that:

Take the Legislature of 1909, the expenses for that Legislature amounted, in round numbers, to \$99,000.00. The democrats believed that that was an outrage, an absolute waste of the people's money and they promised that if they obtained control of the next Legislature that they would reduce the expenses to a fair sum. The Legislature of 1911, although not controlled absolutely by the democrats, one-half of the Senate being republicans, reduced expenses, in round numbers, to \$48,000.00, for one session of the Legislature, making the total of all of the legislative expenses, including all contingent funds for the session of 1911, \$51,000.00 as against the \$99,000.00 of the Legislature of 1909. There is no necessity to discuss this proposition, the figures show for themselves where the peoples' money has gone.

Read the simple list of the cost of the last democratic Legislature with its few expenses, its small pay roll, etc:

SENATE.

1893.

| | |
|---|------------|
| Mileage of members, | \$1,107.40 |
| Per Diem of members, 45 days each at four dollars per day each, | 4,770.00 |
| Clerk of Senate, | 550.00 |
| Three Assistant Clerks, | 810.00 |
| One Stenographer, | 216.00 |
| Six Committee Clerks, | 1,080.00 |
| Sergeant at Arms, | 225.00 |
| Doorkeeper, | 180.00 |
| Nine Pages, | 770.00 |
| Swearing in the Members, | 4.50 |
| | <hr/> |
| | \$9,712.90 |

HOUSE OF DELEGATES.

1893.

| | |
|---|------------|
| Mileage of members, | \$2,757.00 |
| Per Diem of Members for 45 days at \$4 per day, | 12,870.00 |
| Clerk of the House, | 550.00 |
| Seven Assistant Clerks, | 1,890.00 |
| Eight Committee Clerks, | 1,440.00 |
| Sergeant at Arms, | 225.00 |
| Doorkeeper, | 180.00 |
| Cloak room keeper, | 90.00 |

| | |
|--|-------------|
| Ten Pages, | 816.00 |
| Librarian, | 180.00 |
| Swearing in members, | 20.50 |
| Pay J. L. Lynch as acting cloakroom keeper during illness of C. H. Knapp who was sick, | 18.00 |
| | <hr/> |
| | \$21,036.50 |

Then read the saturnalia of the Session of 1909, and note the difference and the enormous items of needless expenditure, and you will begin to understand why this enormous increase in the aggregate of taxation is necessary under the republican administration of the State of West Virginia:

ORGANIZATION OF THE SENATE. SESSION OF 1909.

- Clerk of the Senate \$10.00 per day.
- Sergeant at Arms \$5.00 per day.
- Door Keeper \$4.00 per day.
- The following attaches appointed by the President under Senator Flynn's resolution of Jan. 18, 1909, Page 44, Printed Journal:
 - 21 Committee Clerks (\$4.00 per day).
 - 10 Pages (\$2.00 per day).
 - Private Sec'y. to the President (\$6.00 per day).
 - Stenographer (\$6.00 per day).
 - One Assistant Sergeant at Arms (\$5.00 per day).
 - One Assistant Doorkeeper (\$4.00 per day).
 - One Gallery Door Keeper (\$3.00 per day).
 - One Librarian (\$4.00 per day).
 - One Day Watchman (\$4.00 per day).
 - One Night Watchman (\$4.00 per day).
 - Two Cloak Room Keepers (\$3.00 per day each).
 - Five Stenographers and typewriter operators (\$6.00 per day each)
- (By this resolution the President was directed to designate one Page as Mailing & Banking Page and one Chief Journal Page, each of whom were to receive \$3.00 per day. It was further provided that the Clerks and Asst. Committee Clerks assigned to the Committees on Judiciary and Finance should receive \$6.00 per day each).
- The following attachees were also appointed by the Clerk of the Senate under Senator Johnson's resolution of Jan. 18, 1909, Page 44, Journal:

Two Minute Clerks \$6.00.
 A Stenographer \$6.00.
 One Reading Clerk \$6.00.
 Two Journal Clerks and an Assistant \$6.00.
 Two Bill Record Clerks \$6.00.
 Two Printing Clerks \$6.00.
 Two Assistant Printing Clerks \$6.00.
 Two Engrossing Clerks \$6.00.
 Two Enrolling Clerks \$6.00.
 A Bill Editor and an Assitant \$6.00
 A Warrant Clerk and Bookkeeper \$6.00.
 12 General Assistants to be assigned to their respective duties by
 the Chief Clerk \$6.00.

In addition to the above the following appointments were afterwards made:

| | |
|--|----------|
| H. M. Scott allowed for services as day watchman pending the organization of the Senate, | \$28.00 |
| Reynor White, fourteen days as page at \$3..... | \$42.00 |
| Benjamin Redmond, ten days as page at \$3..... | \$30.00 |
| Clerk of Alvord investigating committee, 21 days at \$4 a day | \$84.00 |
| Stenographer to said Committee | \$156.00 |
| Process server for said Committee, at \$4 per day for 21 days, (in addition to \$38.55 expenses | \$84.00 |

Is this justified? Can it be explained? By any figure of speech or effort of rule can it be explained how a Legislature, composed of a limited number of men, sitting for a limited number of days, can honestly expend three or four times as much as a similar set of men under democratic control?

These are but salient illustrations why the republicans have demanded and brought about the increase of aggregate taxation in this state of over three millions of dollars in five years. Hours of time could be taken with further illustrations. Time will allow no further illustrations. Take any department you wish and you will find the same illustration of extravagance. The salaries of state officials and employees have been increased enormously. New departments have been created, for which the people have no need, new offices have been made, for which there are no demands, new expenditures have been created in every department of the state government for which there are no necessity. Where under the democratic administration

in the capital there was an expenditure of \$10,000.00, there is now ten times that amount. From department to humane institution the same saturnalia of expense has been observed.

Last year the Board of Control, in its report, admitted the undue expenditure of money, and stated that they could curtail the expenditures over \$400,000.00. As a fore-taste of what a return to economy can do by placing the state under the control of the democrats, who practically created it, let us investigate the action of the last Legislature. The democrats promised that they would reduce expenditures, and showed to the people that republican expenditures had increased too rapidly for the growth of the state. In the Legislature of 1911, the democrats in control of the House, with an even number of members of the State Senate, were able to reduce expenditures \$300,000.00. The total appropriation out of the state fund made by the Legislature of 1909, for general purposes, amounted to \$3,101,042.00. Notwithstanding the intervention of two years in the growth of the state, when according to the ideas and traditions of the republican party expenditures would necessarily have been increased by the state, the appropriation out of the state fund made by the Legislature of 1911, for general purposes, was only \$2,860,266.00. Thus the democrats last year, at one session of the Legislature, saved out of the general appropriation \$240,776.00, with a saving on the general salary bill of \$5,461.00 and a saving of legislative expenses of \$51,005.00, making a grand total saved by the Legislature of 1911, over the republican Legislature of 1909, of \$294,192.00. This is practically 10% of the whole appropriation. This can be improved upon. It was impossible to make an immediate cut on the institutions and the boards. This reduction must be gradually made, and if the people return the democrats to power, the institutions, the executive offices and the Boards of the state will be reduced to an expenditure which is necessary only for their economical control and administration.

The democrats made good their promises of reform. With control of the House, but with only thirteen democrats in the Senate, they were able to carry out much remedial legislation. They did away with the state highway commissioner and the road engineer, and with them the vicious system which was beginning to cost the state in the road department thousands of dollars. These offices were mere political appendages to the republican party, and were useless to the state and to the people. We provided that the people themselves should be the judges as to whether they would have loaded upon their burdens a county engineer, and many of them have taken advantage of the op-

portunity and freed themselves from the burden of a useless officer with useless expense foisted upon them by a republican machine.

Among the items of which Auditor Darst boasts as among the important in republican achievement was the hunting law, from which the state garnered in one year \$15,000.00. It provided a license for practically every man who would shoot a squirrel or a rabbit. The democratic Legislature did away with the iniquitous features of this law, and provided that a man could hunt in West Virginia without the fear of the penitentiary before him or without being compelled to pay a license or stand under the shadow of an informer.

The worst features of the registration law were abrogated. A democratic Legislature said that the people should not be registered by partisan registrars, whose report to the County Court was final, but it provided two registrars, one a democrat and one a republican, who should say as to the right of the people to vote.

It provided that the assessment laws should begin the first of April, a great and tremendous boon to the farmer.

The democratic House provided for the abolition of the Tax Commissioner and the abrogation of the worst features of the Dawson Tax Laws.

It provided a commission, which should take up the question of employers' liability and employees' indemnity, so that these great questions can be settled by the law of the land.

In sixteen years of absolute control by the republican party have they done as much for the laboring man?

We submitted the constitutional amendment, which the republicans had promised, but which promise they have for years refused to keep.

There is much more for discussion, but the limits of your patience have already been extended. I simply desire, in conclusion to say, place the democratic party in power and expenses will be reduced in due proportion to the population and the needs of the state. Institutions will not be pinched, appropriations will not be unnecessarily curtailed, but taxes will be honestly reduced and unnecessary burdens will be taken from the shoulders of the people. If you will return the democrats to power, we pledge you that at the end of sixteen years we will not show you an increase of taxation of over three millions of dollars in five years, and then beg of you to continue us in power because we have changed the form of taxation and reduced the state tax or some other tax in an immaterial amount, and under the cry of "tax reform" leave the people groaning under increased burdens, and with the burden of a state debt of over \$7,000,000.