

THE TRUTH

REPUBLICAN POLICIES WHICH HAVE MADE WEST VIRGINIA ONE OF THE GREAT PROGRESSIVE STATES.

SPEECH BY HON. JOHN S. DARST, STATE AUDITOR, SISSONSVILLE, W. VA., OCTOBER 10, 1914.



HON. J. S. DARST

Speaking with authority from the records of his office, State Auditor John S. Darst, at Sissonsville, Kanawha county, furnished the voters of West Virginia with complete and illuminating facts concerning the conduct of fiscal affairs of the State, as well as the record of the Republican party for progressive legislation. It is a subject in which every citizen and taxpayer is interested and as an argument for the continuance of these Republican policies it is unanswerable.

Mr. Chairman, Ladies and Gentlemen:—I am glad of the opportunity to be here and speak to you on matters in which I know you are interested concerning your business. I am not here to attempt to amuse you with stories; neither have I come for the purpose of entertaining you with an effort at oratory. I am here to talk business facts to business men and women, who, as good citizens, are vitally interested in the careful and proper management of our State's business, as well as the business affairs of our Nation. And I am here to give you, as your right to know, a condensed statement of the stewardship of the men you have intrusted with the safeguarding of your interests. "Ye shall know the truth and the truth shall make ye free" was said in Holy Writ and I propose to give you the naked truth clothed in the garb of official records.

Once more the Republican party has been placed on trial in this State by our common enemy, the Democratic party. We are again accused of wasting the peoples' money. It is reiteration of the charges made two years ago and four years ago, but you will remember that in those two campaigns when we got the record before the people of the State, they were not only convinced that we had not been wasting the peoples' money, but that we were giving them more for their dollar than any other State in the Union. So much has our business methods attracted the attention of other States that they have sent their officials here to see them, to learn more about them and upon returning home have advocated the enactment of West Virginia laws for their own States. After our experience of two and four years ago, I did not expect to hear the same old cry again this year that we were wasting the peoples' money. But

it has been made and is being made and I am glad of the opportunity to reply.

The present State Administration has been indicted by Democratic platforms and Democratic speakers for raising the State tax from one cent on the \$100 property valuation to 6 cents, and raising it again last June from 6 cents to 10 cents on the \$100 valuation. All of which we admit is true and in reply emphatically assert that such action as has been taken was essential for the welfare of the State and the happiness of her people.

My friends, the management of a great State is not greatly different from the management of your family. In fact it is one big family, and the members thereof are continually clamoring for more spending money, some for one thing and some for another. With the head of that family, which in the case of the State is the Legislature, rests the responsibilities of discriminating between necessities and luxuries. The head of the family should wisely consider what are the most necessary things for the happiness and comfort of its family, taking into consideration the amount of income it has to spend.

Larger Appropriation.

For the fiscal year 1914, which ended on June 30th last, our Legislature appropriated \$756,000 more for the support of its family than was appropriated in 1912. Necessarily a growing State, like a growing family, needs more money, and in the last few years ours has been a wonderful growth. Our educational, charitable and penal institutions continue to grow and as they grow they continually need more money to meet the demand for new buildings, modern appliances and increased necessary expenses. The Legislature of 1913 also added several new departments in the government of the State and increased the efficiency of others. In fact the State needed every dollar that was appropriated by the Legislature, but the Legislature failed to pass any new laws raising additional revenues to meet the demands made on the State treasury through increased appropriations.

Not only was our State Board of Public Works at the beginning of the fiscal year 1914 confronted with increased

appropriations to the amount of \$756,000, but in addition to this the State had spent approximately \$400,000 to maintain law and order in the State, which had used the surplus in the treasury. This was an extraordinary expense which could not have been anticipated. The Board of Public Works had no other method to get the money to maintain the State government and her great institutions except to raise the State tax from one cent to 6 cents. But the Board of Public Works acted sensibly. For years it has fought hard and successfully too, to keep the taxes down, and it refused to even spend all the money that the Legislature had appropriated. By doing this, this year it saved the State from going into debt about \$350,000. That is what I believe you would have done as the head of a family. If your income was not sufficient to meet some proposed expenditures you would cut down certain expenses until it did.

No Graft in These Bills.

But there is one thing about these Republican State administrations. We have never hesitated to tell you taxpayers where the money goes. It is not sufficient for us to say that we spent so much money. We always tell you for what purpose it was expended. There is no smirch of graft in the bills that we pay. The books are always open and our political enemies have access to them in the broad light of day. We want them to know the facts, for when they know the truth they can't even make an accusation of wrongdoing.

But as I have said the Republican State administration wants to be frank with the taxpayers and citizens of West Virginia. We come before you with clean hands and not only show where we get the money we spend, but where we spend it. Let us first notice where the money comes from to support the State government, which cost \$2,402,063.15 for the fiscal year ending June 30th last.

THIS IS WHERE IT COMES FROM:

Receipts for the Fiscal Year Ending June 30, 1914.
 State tax\$ 436,772.82

License tax	740,772.38
Chauffeurs' license	474.75
Fees Auditor's office	55,503.50
Fees Secretary of State's office.....	18,231.00
Fees Examination of Banks	7,435.00
Fees Public Service Corporations	188.15
Fees Hotel Inspector	2,583.25
Fees Board of Optometry	124.98
Hunters' licenses	528.25
Interest on State Deposits (one-half).....	18,933.43
License tax on Charters	420,175.30
License Power of Attorney	7,980.06
Automobile licenses	60,173.74
License dining and cafe cars	22.92
License books, maps, etc	6.82
Marriage licenses	14,415.00
State Tax Public Service Corporations.....	181,924.27
Sale of books	2,534.50
Statutory Attorney fees	22,179.34
Tax on seal	3,263.00
Tax on insurance and certificates of authority.	158,967.11
Tax on collateral inheritance	281,660.20
West Virginia Asylum inmates	14,440.09
West Virginia Reform School inmates	14,782.48
Miscellaneous	1,427.13

Total\$2,465,447.47

THIS IS WHAT WE DID WITH IT:

Disbursements for the Fiscal Year ending June 30, 1914.	
Salary, State Officers	\$ 25,701.68
Salary, Clerks Governor's Office	6,462.61
Salary, Clerks Auditor's Office	20,370.00
Salary, Clerks Insurance Department	8,900.63
Salary, Clerks Treasurer's Office	5,000.00
Salary, Clerks Attorney General's Office	15,964.56
Salary, Clerks Secretary of State's Office.....	12,879.00
Salary, Clerks Supreme Court of Appeals.....	16,682.10
Commissioner of Agriculture Office	20,062.45
Labor Fund Capitol	18,669.72
Contingent Expenses State Offices	19,909.28

Capitol Building and Grounds	11,248.28
Governor's Mansion	1,869.62
State Librarian's Office	2,964.43
<hr/>	
TOTAL	\$186,684.36

You will observe that out of the \$2,402,063.15 spent by the State during the fiscal year 1914, only \$186,684.36 of the amount was spent for salaries of State officers, clerical and professional assistance; maintenance of the Capitol buildings, including repairs and upkeep of grounds.

Look at the record and see what became of some more of the money spent last year:

West Virginia University.....	\$ 232,159.04
Normal School and Branches	311,712.16
State Humane Institutions	505,245.48
Kings Daughters Hospital	12,351.99
State Board of Control	34,929.41
State Board of Regents	7,696.28
Support of Lunatics	1,991.58
Criminal Charges	79,908.39
<hr/>	

TOTAL

	\$1,185,994.24
--	----------------

These figures tell a complete story in themselves. They show that the State of West Virginia, and we are proud of the fact, has adopted a liberal policy in caring for the wards of the State who are confined in numerous hospitals. They show in clear and concise form what the State expended in the fiscal year 1914 for the education of her youth, for maintenance of her wards and for the prosecution and support of those who have violated the laws of society. Now, after spending \$186,684.36 for salaries of officers and other expenses of the State government, and \$1,185,994.24 for the support of the State institutions, or a total of \$1,372,678.60, there is a balance of \$1,029,385.55 to make up the total disbursements of \$2,402,063.15. For what purpose did the State spend this \$1,029,384.55?

HERE IS WHERE IT WAS EXPENDED:

Militia	\$ 68,697.86
Printing, binding and stationery	48,589.16

House of Delegates	310.60
State Geological Survey	43,215.35
Public Service Commission	72,262.07
Tax Commissioner's Office	37,552.79
Bureau of Labor	5,557.50
Commissioner of Banking	12,822.16
Pardon Attorney	4,452.05
Department of Mines	41,085.29
Department of Archives and History	21,525.53
State Board of Health	12,104.99
State Board of Optometry	208.75
State Hotel Inspector	2,640.08
Forest, Game and Fish Warden	11,865.59
Commissioners of Pharmacy	7,439.19
West Va. Agricultural Experiment Station...	20,757.18
Special Appropriations	110,545.25
Miscellaneous	3,791.56
Transfer to General School Fund	399,585.50
Salary and mileage of Judges	104,376.10
<hr/>	
TOTAL	\$1,029,384.55
GRAND TOTAL DISBURSEMENTS.	\$2,402,063.15

Now, my friends, you can see from these figures that we have spent practically one-half of the entire amount expended by the State for the last fiscal year for the support of our great schools of learning; our hospitals for the insane: our miners hospitals; the deaf and blind schools; the industrial home for girls; the reform school for boys; a big tuberculosis sanitarium, and for the support of industrial schools for the colored youth of the State, as well as many other institutions of similar class. Will any Democrat say that we are wasting the peoples' money, expended on these institutions under the watchful care and supervision of the State Board of Control? If such there be let him stand up that we may see him.

Increased Expenses at University.

There is one large item of expense included in the above table, however, to which I want to call your attention. Our State University cost the State last year \$232,159.72, a

large sum of money, \$72,000 more than the fiscal year 1912. Every loyal West Virginian wants to see the boys and girls of this State have as good opportunities to acquire a higher education as the boys and girls of any other State, and it has been a great satisfaction to me to see the material turned out by our own University as they have gone out and found homes among the various States, holding their own with those coming from other Universities of other States.

The amount spent on this institution, I understand, is one of the places where the Democrats are claiming we are wasting the peoples' money. My answer to them is that if it is necessary to spend this amount of money to get good results, I favor it and I take it that it was necessary, for Hon. Thomas E. Hodges, now the nominee of the Democratic party for Congressman at Large, was then at the head of the State University, and it was because of his personal influence on the ground during the most of the session of the last Legislature that this large appropriation was made for the University for the fiscal year 1914.

I have shown you the items making up the receipts of the State government, as well as the items making up the expenditures. Now, if we have been wasting the peoples' money, as some of the Democrats would have you believe, I ask them to point out and inform the people what particular items they would cut out.

What the Average Man Pays.

It would be well right here to see how much the average man pays towards supporting the State government, costing the last fiscal year, \$2,402,063.15.

The first item in the table of the State's receipts tells the tale. The 6 cent State tax on the \$100 valuation of all the real estate and personal property owned by individuals, raised in the last fiscal year \$436,772.82. That is what you paid of \$2,400,000.00 in round numbers to support the State government. Then if you will notice at the bottom of the column of expenditures of the State government, we gave to the State School Fund \$399,585.50; and also for the support of State High Schools \$38,000.00, making a total of

\$437,585.50. So that it did not cost you one cent to run your State government the last fiscal year. We put into the State treasury from the 6 cent State tax \$436,772.82; then we handed back to you for your schools every cent you paid and your particular section received your full part. Is this wasting your money? Why, we never had any of it to waste? So if your county taxes seem high do not blame the State, because you did not pay anything to help run it. The only tax you paid was the tax to support your county. This is your own local affair. You can make them high or you can make them low.

If you are not a member of a corporation doing business in the State, or do not run a merry-go-round, circus, moving picture show, or billiard or pool room; keep a hotel or restaurant; sell tobacco, or act as a real estate or insurance agent, or any other of the special privileges for which the State exacts a license tax, you did not pay a cent towards the support of the State government, last year costing approximately \$2,400,000.00.

Is there any other State that can show a record like this? Well, you will say: What about raising the State tax from 6 to 10 cents, which will apply on this year's tax? Our answer is that your Board of Public Works could do nothing else. The Legislature appropriated for the present fiscal year as liberally as they did for the fiscal year ending June 30 last. We lost approximately \$700,000 by the State going dry, and the Legislature finding no new sources of revenue, the only thing left for your Board of Public Works was to increase our State tax 4 cents on the \$100 valuation. Now let us see where we will be at the end of the fiscal year—June 30, 1915. The additional 4 cents added to the State tax will raise about twice as much revenue with the increased valuation as a 6 cent levy did in the fiscal year 1914, which would be approximately \$873,500. Then at the close of the fiscal year we will hand back to the people to help run their schools, as we did this year, \$425,000, which would leave \$450,000 in round numbers, raised from direct tax, towards paying the expense of the State government. What would be your proportion and mine? Why, my friend, if you are worth \$1,000.00, your part of this tax would be 60 cents; if \$2,000.00, \$1.20; \$5,000.00,

\$3.00; \$50,000.00, \$30.00, and live in a dry State at that. If you, Mr. Democrat, are not willing to pay that much to have prohibition in this State, you don't want it, and you would necessarily be put in the wet column.

Talk about wasting the peoples' money. Mr. Democrat, you had better wait until we have some of your money to waste before making the charge, for if you do not belong to the class that pays license tax heretofore set out, you have not paid a cent toward running this great State with its wonderful institutions, of which the Republicans and most of the Democrats are so proud in the fiscal year 1914 and will pay a very small amount in the fiscal year 1915. I challenge any Democrat to point out wherein I have made a single misstatement in this speech.

No, my friends, your Republican Legislature and State officials have not been wasting your money. As a whole the peoples' business is being handled in a careful business manner. We have put into practice in West Virginia common sense business methods applied to the State's business, and we are not fearful of the verdict of the people.

Republican Methods.

Not only, my friends, have we made possible practically the elimination of the State tax, which in itself is a great achievement, but the benefits received by the people from the re-assessment annually of all real estate and personal property is much greater. Our law now provides that the Assessors in the various counties shall assess the personal property and real estate belonging to individuals, firms and joint stock companies annually.

The Board of Public Works assesses public service corporations, such as railroads, pipe lines, telegraph and telephone companies, and, in fact, all common carriers annually.

Corporations Now Pay Full Share.

In 1896 the Democratic Board of Public Works assessed the public service corporations in the State and received in taxes \$400,983.13. They then took 35 cents on the \$100 valuation, and placed it in the State treasury to help run the State and the Auditor disbursed the balance, \$333,581.90, among the counties, districts and municipalities. The Re-

publican Board of Public Works met and assessed the public service corporations in 1913, and received \$2,576,461.40 from them. The Auditor did not take 35 cents on the \$100 valuation of this great sum, as did the Democrats, but he took only 6 cents on the \$100 valuation, and returned the remainder to the counties, districts and municipalities.

The following table shows the amount returned to the counties, in 1896 under Democratic management, and the amount returned under Republican management in the fiscal year 1913:

AMOUNT OF TAX ON PUBLIC UTILITIES REFUNDED TO
COUNTIES,, DISTRICTS AND MUNICIPALITIES FOR
YEARS 1896 AND 1913.

Counties.	1896.	1913.
Barbour	\$ 4,926.49	\$ 32,861.05
Berkeley	8,219.52	30,562.66
Boone		10,623.75
Braxton	2,772.90	22,298.13
Brooke	4,664.59	37,209.56
Cabell	15,007.99	87,300.59
Calhoun		5,213.33
Clay	218.50	15,485.75
Doddridge	4,067.83	45,147.44
Fayette	28,878.96	99,791.05
Gilmer		6,313.37
Grant	1,066.53	6,530.65
Greenbrier	6,272.91	38,950.72
Hampshire	2,596.92	19,353.69
Hancock	1,522.19	24,995.40
Hardy		1,829.58
Harrison	5,051.51	165,231.16
Jackson	4,008.93	24,016.87
Jefferson	6,278.94	30,260.83
Kanawha	23,793.60	177,547.89
Lewis	2,583.39	62,647.81
Lincoln		44,916.82
Logan		11,325.12
Marion	9,131.27	142,231.67
Marshall	16,478.76	87,866.57
Mason	6,425.62	47,083.97
Mercer	11,891.33	97,404.87
Mingo	12,736.95	67,499.60
Mineral	9,802.69	53,137.06
Monongalia	3,706.52	70,186.88
Monroe	787.23	10,681.28
Morgan	10,191.08	46,533.64

McDowell	13,854.99	88,921.76
Nicholas	734.11	7,399.30
Ohio	14,699.09	76,867.88
Pendleton		45.46
Pleasants	1,696.11	20,472.44
Pocahontas		17,636.44
Preston	8,941.81	57,496.68
Putnam	5,529.94	28,775.90
Raleigh	631.00	21,064.18
Randolph	7,802.03	38,367.61
Ritchie	4,966.21	52,138.98
Roane	1,387.20	33,780.94
Summers	14,192.35	38,035.52
Taylor	9,063.23	42,238.66
Tucker	6,487.34	23,464.43
Tyler	1,042.25	67,399.37
Upshur	2,089.95	12,061.37
Wayne	16,967.66	112,820.64
Webster	1,911.37	7,815.76
Wetzel	3,383.80	119,763.75
Wirt		5,917.99
Wood	15,127.31	68,237.68
Wyoming		7,748.12
TOTAL	\$333,581.90	\$2,571,509.62

Republican Party is Progressive.

But, gentlemen, it seems to me in these times when we have heard so much about Progressives and Stand Pat-
ters, it would not be out of place to take a look at the Re-
publican party's business methods, as applied to the busi-
ness affairs of the State, and see if that party has applied
progressive ideas in the management of our State and
County offices.

I will only have time, however, to touch on the high
places, and will not attempt to go into detail. When the
Republican party came into power in this State, we faced
an empty treasury, although the Democratic party had
been collecting 35 cents on each \$100 valuation on all prop-
erty of the State for State and School purposes. It was
found that we must have money, and have it quickly, and
get it by drawing as little blood as possible. The first
move, which we think was progressive, was when we re-
vised the corporation laws of the State and made them
up-to-date, and instead of collecting \$79,965, as was done

by Governor MacCorkle's administration, we collected \$445,000 under Governor Glasscock.

We were progressive when we amended the organic law of the State and made the Secretary of State an elective office, instead of an appointive. We were progressive when we changed the Constituion, and provided a salary for the Secretary of State and Auditor, instead of a salary and the fat fees besides, which they received under the Democratic rule, which amounts, all told, in nine years since it went into force, to \$555,000, which has gone into the State treasury, instead of into the private pockets of the officers.

We were progressive when we limited, by a change in our Constitution, the Irreducible School Fund to \$1,000,000, and took what went to make up that fund, together with the interest, and applied it to the education of the boys and girls of this generation, instead of laying it up for generations unborn.

We were progressive when, by law, we removed the public execution of the death sentence, and made it as decent as conditions would admit, by removing it from the gaze of the disinterested and curious.

We were progressive when we provided for re-assessment of all the real estate of this State, with a view of placing it at its true value, which resulted in a more uniform valuation than was known to the State before.

We were progressive when we provided for a Tax Commissioner, to supervise this great business of the State, that of assessing property and collecting taxes, and seeing that these laws were enforced. It is a waste of time to debate the wisdom of the Legislature in creating this office. Just as well talk about the Standard Oil Company doing away with their men that direct the business of that great corporation, as to talk about doing away with the Tax Commissioner. He has made good and the State can not get along without him.

We were progressive when we enforced the Collateral Inheritance tax law, and instead of collecting \$55,765.00 from this source in 17 years, we collected five or six times as much under the same law as did the Democratic party, and amended it from time to time since, until we now have

a revenue of about \$200,000 a year from that source.

We were progressive when we established the Public Accounting act, and in a very short time the public business, whether it be municipal, county or State, will be dispatched with the same promptness and accuracy of a well managed bank.

We were progressive when we established the Board of Control, who are employing the most improved methods in looking after the penal, educational and charitable institutions. The results will speak for themselves. Leaks have been stopped. Thousands are being saved to the people.

We were progressive when one of the State officers refused to honor appropriations made by the Legislature, that he believed to be unconstitutional. The Supreme Court sustained the officer in two separate occasions, and resulted in \$60,000 being saved to the State.

Republicans Continue Progressive.

We have been progressive when the Insurance Department of the Auditor's office has refused to be satisfied until every vendor of fake insurance stocks and dishonest promotions has been practically driven from the State. We have given publicity through a bulletin to warn the people, and have been instrumental in saving thousands in this way, besides collecting thousands of dollars for individuals where judgment has been rendered. We have enforced the insurance law in all respects, and when we have had no law that would be sufficient to protect our people, we went ahead anyhow, law or no law, and took such steps as would put these people out of the State and stop them from preying upon the citizens of the State.

We were progressive when we stopped paying the State's money in lump sums to heads of State institutions, to be again checked out in their name for the expense of the institutions, and now before the Auditor signs a warrant upon the treasury for any amount, there must be a voucher attached, showing the items it was used for, and if it is proper it is paid. If not, it is rejected, a voucher being filed for every penny spent for expense of the State government, and any one can see them in a moment, by applying to the Auditor's office and making the request.

We were progressive when we created the Public Service Commission and vested in it authority to prohibit the big public service corporations from making discriminatory or excessive charges for their services.

We were progressive when we passed a workmen's compensation law, which without hardly any cost to the employe protects the family of the wage earner when grim misfortune comes to them.

We were progressive when the Auditor requested the State Tax Commissioner to make an audit of the Auditor's office, which collects and disburses not only the \$2,400,000 in round numbers to run the State government, but also collects the Public Service Corporation taxes for the people and disburses them to the counties, districts and municipalities, amounting this year to \$2,571,563.67. This audit has been going on for more than a year, and the people will know the truth as to this office.

Why Democrats Are Not Progressive.

Did the Democratic party show progressiveness when it had a chance? Did the bill passed by the 1911 Legislature to abolish the Tax Commissioner's office show progressiveness? If it did, I believe you will agree with me when I say that their idea of progress, if this be a sample—and ex-Governor MacCorkle points to it with pride as being one of the greatest achievements of that Democratic House, would only be considered progressive by the class of individuals and a few corporations that do not want to pay their fair share of taxes, and not progressive in the minds of the great masses of the people of this State.

And were the Democratic party's business methods progressive when they made but little attempt to collect the Collateral Inheritance tax or the license tax, and seemingly had little concern whether or not the State received the revenues that belonged to it, as the records in the Auditor's office disclose?

Was the Democratic party progressive when it permitted the Sheriffs in some cases to not settle with the counties and State, with nothing to show any attempt to settle them on the records, and in some cases they were settled by the Legislature passing an act to relieve the Sheriff

and the securities from any further payment or liability? If this means progressiveness, then the Democratic party is to be commended.

Where Did This Money Go?

Were they progressive when the public officials, who had charge of their lands that had been returned delinquent and purchased by the State, and forfeited, delayed proceedings against these lands until some shadow of title had matured, due to taxes having been paid by other parties, and in this manner acquired title under adverse possession? In this way hundreds of thousands of dollars were lost to the people of this State by neglect, if I should use so mild a term, of the public officials of those days. As an instance of the manner in which forfeitures of delinquent lands had been treated: There were certified to the Commissioner of School Lands of a certain county, for the years 1873 to 1894, taxes amounting to \$122,000 in round numbers, but I have been unable to find any entry of any amount having been paid to the Auditor's office on account of these delinquent taxes. What is true of this county in this respect, is equally true of a great many other counties.

My friends, were they progressive when they fought almost every inch of the way against most of the measures that I have mentioned here, that meant so much to the people? I believe I might continue to take up these matters for hours, but it is possibly enough for me to say the records of the Auditor's office reveal a sad story relative to Democratic business mismanagement of the State. I believe you will agree with me that it would be a fearful step backward, yes, a calamity, for the Democrats to be again entrusted with the business affairs of this State.

Now, I have only touched the high places, and had I time, I would speak longer on State matters.

(Mr. Darst here took up National matters.)