

The Office of Auditor General

By Robert E. Cresswell, Democratic Nominee

The history of the Republican party in Pennsylvania is the history of a political machine which is more powerful and shapes the political destiny of more people than many of the sovereigns of Europe. Over this political machine the Camerons, the Quays and the Penroses have in turn exercised all the powers usually vested in the absolute monarchs of the old world.

It has long been the custom to permit the leader, who happened to be in power, to hold sway during his life. But in our day we see the spectacle of two powerful political bosses contending for the right to hold undisputed sway as the head of this powerful party, and the thoughtful voter may well pause to consider why it is that such strenuous efforts are being put forth on the one hand by Penrose to retain the power he has held, and on the other hand by Flinn to secure for himself the right to wield sway over the machine in the future.

ONE MAN CONTROLS THE STATE

It has been said that one of the two Senators for this state represents in the United States Senate the Standard Oil company, the Pennsylvania Railroad company and the banking interests; that he controls two votes in the United States Senate, a majority of the Pennsylvania representation in the House, the Governor of this Commonwealth as well as the Legislature, and that there are close bonds of intimacy between him and the courts.

AN IMPORTANT COG

It has long been known that the office of Auditor General, in the hands of a trusted lieutenant, is a very important cog in the Republican machine, and to convince one of the logic of the argument, it is only necessary to point out some of the duties of the Auditor General and the manner in which they may be exercised.

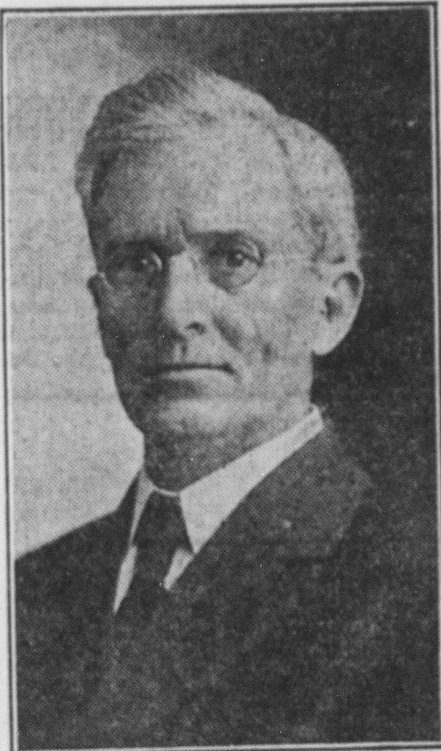
The Auditor General examines and settles all accounts between the commonwealth and any person, officer, department, association or corporation. He examines the condition of the State Treasurer and is required to publish the monthly statement of the State Treasurer. He makes settlement or assessment of the tax on the capital stock of corporations, on county, municipal, borough and corporate loans; on gross receipts of transportation, transmission and electric light companies; on the stock of banks, on the gross premiums on domestic insurance companies with capital stock, on net earnings or income of brokers, private bankers, unincorporated banks and savings institutions, and on matured shares of Building and Loan Associations.

LARGE DISCRETIONARY POWER

The Auditor General alone assesses all these taxes, and has a large discretionary power in relation to these assessments. He may take the sworn statement of the President and Secretary of a corporation as the basis of his assessment without making an examination of the property. He may increase the assessment of one corporation and decrease that of another, and this it may be said in passing is a power which has frequently been used by corporations in touch with the auditor general's office to raise the taxation of competing corporations whenever it was the desire to injure or destroy a rival company.

INEQUALITY OF ASSESSMENT

This unwise discretion has given rise to much inequality in the assessment of corporations. The greatest inequality, how-



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ever, is in the system of state taxation, between that class of taxes in which the Auditor General has power alone to assess and that class of taxation which comes directly from the people, over which the Auditor General has no discretionary power, the rate being fixed by law and the assessment fixed at the face value of the securities. This class is personal property, such as bonds, mortgages, judgments and taxable indebtedness, and is largely scattered and owned by the individual citizen.

The law fixes this class of taxation at the rate of four mills on the dollar on the face value of the security with a penalty of fifty per cent. for a failure to make a return to the County Commissioners. To this class of taxes also belongs the tax on licenses on personal property other than that already mentioned, on collateral inheritance, on direct inheritance, writs, wills and office fees, all of which are fixed by law, and paid to the Auditor General through the county officers.

BOSSES REGULATE ASSESSMENTS

It is apparent therefore, that the discretionary power vested in the Auditor General is only in that class of taxes in which the corporations are interested.

And how easily may this discretionary power, when placed in the hands of one owing allegiance to a political boss who is in turn the representative of large corporate interests, be perverted and used in exploiting the masses for the benefit of the few. This power has been used for the benefit of the corporations of this state.

OTHER IMPORTANT COMMISSIONS

The Auditor General, by virtue of his office, is a member of the military board; the board of public accounts and sinking fund commissions; the board of revenue commissioners, and the board of commissioners of public grounds and buildings. These are important commissions and should at all times have thereon minority representation. If the board of public grounds and buildings had had minority representation thereon, the capitol graft would not have been possible. It is, therefore, because of the absence of minority representation that graft is possible. It is the way the wanton waste of the people's money is easily concealed.

SOME RECOGNIZED ABUSES

Among other recognized abuses in that department is the holding up of the cases against corporations. Another is the method of disposing of these cases without public hearings and without a record of the reasons for holding them up. Still another is increasing or decreasing the taxes under the discretionary powers of the Auditor General.

PRIVATE COUNSEL SCANDAL

Another wrong that seems to have crept into the department is the employment of counsel other than through the attorney general's office. Whilst we pay to our Attorney General's department, in salaries, the sum of \$28,800 a year for taking care of the legal questions arising in the several departments, and whilst some of the employes of that department are busily engaged in the practice of law in their own counties, the several departments have been employing private counsel who are pets of the machine throughout the state.

We find that Mr. Wasson, the present chairman of the Republican State Central Committee, seems to have been one of these favorites, as in four years he has received a total of