## PROCEEDINGS OF THE CONSTITUTIONAL CONVENTION. OFFICIAL REPORT.

## Barbour Liquor Resolution Defeated in ommittee of the Whole.

speech, delivered in the Constitutional Convention last Saturday, and the subsequent proceedings.

the subsequent proceedings.

In the case of Commonwealth against the Judgment proceedings.

In the case of Commonwealth against the Debaware Division Canal Company, 425 Permylvania State, 584, decided in 538, the power of impose taxes of the power of port of government, but the power of the subjects thereof, their classification and the methods of selection to the subjects thereof, their classification and the methods of selection to the subjects thereof, their classification and the methods of selection to the subjects thereof, their classification and the methods of selection to the subjects thereof, their classification and the methods of selection to the subjects of taxation is a mat tor purely legislative. We copy that provision of the Pennsylvania deformation, and according to the third provision that the courts in this matter unless the classification at the power of the courts in this matter unless the classification is so purely arbitrary, so under the courts in this matter unless the classification attempted to be made. But we all knew that the courts must be understand the courts must be understand to the courts in this matter unless the classification attempted to be made. But we all knew that the courts must be understand to the courts in this matter unless the classification attempted to be made and the courts must be understand to the court of the Lesistand to the court of the Legislative we copy that the court of

court further said: "The power to classify being given, all that is then required by the Constitution is that the taxes shall be uniform upon the members of a class, and it is the uniformity of taxation according to the classification made, which is a question to be determined by the court."

under the Pennsylvania law, unless the that it would come under the protection of the decision of the Supreme Court of the United States. We have in the Supreme Court of Pennsylvania, this proposition laid down, that the only thing tween the different subjects of taxation That is a power and danger which we should not run the risk of, especially as equal taxation. I take it, as between individuals. I do not know that I am could not stand by the old anti- exactly the reverse. quated rule of equality and justice. It Constitution, unequal and unjust taxation. If we had no general principle laid down in our Constitution as to taxpresumption which arises in almost every man's heart and mind that the h dens of taxation should be equally than that when you put there a rule

that kind. Commonwealth against the Germania Brewing Company, 145 Pennsylvania

State, page 83.

out it. We had better have nothing in

classes, and of course tax them at dif- principle? ferent rates and treat them differently, of classification goes, under the decispeople in the future, and by our people I mean our individuals of all classes.

slightest degree with the rest of this re- it may be. I am not here put things in port, by providing that "except as here- the Constitution to catch votes. inafter provided' all taxation whatsoever, whether State, local or municipal, of the authority levying the tax, and wish that distinctly understood, because

Mr. HATTON: Mr. Chairman and gentlemen of the committee, I shall only ask for a moment or two of the time of to the contrary. this committee. It is with very great reluctance and with something closely akin section 1 arises from the recognition to genuine sorrow that I have felt called by this committee of the necessity for upon to differ from my colleagues on some other method of taxation as apthe committee of Taxation and Finance upon the subject treated of in the first section of that Committee's report. I mittee. But I respectfully submit that do not desire to take up much of your time, because my views upon this matter have been expressed better than I not be extended further than the necescould express them by the gentleman sity extends; and 3 am perfectly willfrom Petersburg, who has just given ing to make an exception to this princihis reasons for his dissent from the action of the committee. But, Mr. Chair- as it is necessary to tax the franchises man, the power of taxation is, in my of corporations. I believe the nearest judgment, the greatest power within the we can get to equality in that is to perexercise of any constitutional government? The power to tax has been just- ciple to cover that case and that case ly characterized as the power to destroy, and it seems to me that in a constitutional government, the eminently proper function of a written constitution is to protect, by some general and just principle, its peope against what

great power.

Continuation of Mr. Hamilton's mittee is really worse than no restric-I would rather see the whole matter relegated to the discretion of the Legislature than to see it in its present form;

In this same case in Pennsylvania, the the equality clause of the 14th amendment leaving the field of action very wide. It has been justly said, and, I believe, it is conceded by all authorities upon the subject of taxation, that there is inherent in humanity, a tendency to shift burdens from one to anoth-

er. One of the greatest difficulties in dealing with the subject of taxation in That is all the court can determine, all sovereignties lies just there. The personal equation, and we all know classification is so clearly reasonable what that means by this time, in this body, enters more largely into that subject than into any other; and when that tendency is absolutely unrestrained, there is danger.

Now, this argument will doubtless be the courts can pass upon is whether the met by a statement that up to 1850-51 taxation is uniform in the classes as be- we had no restrictions in Virginia on this subject. True, but I say to this within the same class, and that it is committee, and I believe no thinking proper for the legislative body to deter- man will deny it, that the conditions mine what the classification may be, in this State in 1850-51, were for different from the conditions existing today, and which are likely to exist durthere is no occasion for it, as I can see, ing the life of this Constitution. The We do not need it. We do not want un- property conditions in the State are far of material development is different toprepared to say that you, or any of us, day, and vastly different. The method want unequal taxation as between any of selection of those who are to imwas necessary in order to carry out the men who imposed the taxes in 1851 were general plan of taxation presented by the men who paid the taxes, as no ditions have so changed, etc., etc., that and I say the condition to-day is just

is not necessary, however, and we are day are the men usually wio do not simply inviting, by putting this in the pay the taxes, and as you get down from the State Legislature into the governing bodies of the subdivisions of the State, the supervisors in counties and ation we would at any rate have that the councils in cities and towns, that reasoning applies with even greater force.

Take the city councils in your cities borne in proportion to the value of the and look over their names on your taxproperty. But when you go further rolls and see what relation they bear to the community in the matter of taxathat is an invitation to unequal taxa- tion. You will find that many of them tion, an invitation to partiality, it seems do not even pay their poll-tax, that to me that we would be better off with- many of them do not appear on the tax-rolls, except in their relation to the Constitution than a provision of the poll-tax; that they are assessed with nothing save the poll-tax, and do There is another case, decided by the not pay that. I have seen instances of Supreme Court of Pennsylvania, in 1891, it within my own brief experience; and I ask you, is it safe, is it wise, to leave the taxing power in the hands of men who can impose the taxes and bear none In that case the court held, in sub- of the burdens that they impose? Are stance, that the Legislature can subdi- you prepared to go before the country vide manufacturing companies into to-day, to go before the people who classes, and that it can treat a manu- support this Commonwealth, with any facturing corporation making gas and such principle? Can you expect the one making liquor as two different support of these people for any such

Gentlemen of the Committee, I canas classes, in taxation. I merely cite not give my sanction to it, because I this to show to what extent this power do not believe it is right, and do not hesitate, let me say here, to vote for ions of the State of Pennsylvania, the anything in this Constitution which I State from which we draw this general do think is right, and in voting for it Principle in our first section. It seems I will not be governed by any considto me to be an exceedingly dangerous erations as to how it may eatch the power. It seems to me to be a power unthinking public. I am not willing to fraught with nothing but evil to our put anything in this Constitution for buncombe. If any matter cannot go into this Constitution on its merits, in I, therefore, Mr. Chairman, have mov- my judgment, I shall vote against it, I ed to amend so as not to interfere in the do not care how much of a vote-catcher

But, Mr. Chairman, I do not by this explanation mean to charge this comshall be equal and uniform upon all mittee with putting this provision in the property within the territorial limits Constitution for any such purpose. I shall be levied and collected by general I believe the gentlemen who put this provision in the report are governed by just as high motives as I am, and far be it from me to make any suggestions

I believe this principle set forth in plied to corporations. In that recognition I beg to say I agree with the comwhere that necessity stops the principle should stop, and the principle should ple of equality and uniformity, so far mit an exception to the general prin-

Mr. Chairman, I believe it is the proper function of a Constitution to protect minorities. Majorities can always protect themselves. One of the great necessities for a written Consti- be said by the gentlemen who advocate may be the unwise exercise of such a tution is the protection of minorities. this radical departure. It cannot be cannot be hidden, have been forced, if There is no trouble about the majority necessary, as has been stated, to carry

get or to obtain material representation

in the taxing body. opposed to section 1. I had myself prepared an amendment, but as the due to myself, in the dissent I have put explanation to the committee.

Mr. Chairman, I thank you and the committee for your attention ..

CAMERON: Mr. Chairman, though in no condition, perhaps, to satisfy either myself or my audience in the discussion of any subject, I feel impelled to utter a brief protest against what I must characterize not as the assertion of a principle, but as the abandonment and suppression of a correct principle of government contained in the first section of the report of the Finance Committee.

I cannot conceive a more obvious truth than that the burdens of taxation should be equal upon all classes of property. I find, after passing from section 1 of the proposed ordinance, this provision in section 4:

The General Assembly shall provide for a reassessment of real estate, and such real estate shall be assessed at its fair market value. Section 5 reads:

The General Assembly shall provide by law for the special and separate assessment of all coal and other mineral land, at a fair market value.

Why are the values of these proper ties to be ascertained and measured by the fair price which they will bring in the market, except that their value having been ascertained, upon that an equal burden of taxation shall rest? A hundred dollars is a hundred dollars no matter of what it consists, whether real, personal or other property; and when that value has been once ascertained, it is an exercise of injustice, of tyranny and of robbery to place upon it any greater burden than you would which I have alluded, then I appeal to put on one hundred dollars worth of any other kind of property.

Let me say, so far as the practical results obtained by this report are concerned, I have no objection to offer. On the contrary, I have always believed that franchises should be taxed. I shall always believe that extra privileges safeguard that exists for every man in granted by this government should be this Commonwealth in order to accomrequired to pay a corresponding share of the burdens of government. I have of property. never believed that the common carriers of this State were paying a proper share of the burdens, and I do not believe that the provision made in this tack, it does not affect, in the burdens from them; but in the direction of that policy which led the Chinaman to burn his house down whenever he wanted roast pig, I think this committee has gone to the length of deprinciple, after it had attained a fair and proper way of placing a commensurately fair burden upon the corpora-

or town in the State, or the board dollars worth of personal property at another.

There is no reason whatever, if your egislative bodies, central and in the different localities, should be dominated by influences opposed to both real and personal property, that they should ot seek to relieve themselves of their fair and equal share of the expenses of the government by laying an improper and inordinate tax upon all the real and personal property under their jurisdiction.

Gentlemen have imagined here the presence in this Commonwealth of malign influences, who wish to rise to wealth by a system of robbery upon the people. If that be true, and the power of these corporations is such as has been alleged here, that they find no difpolluting the presence of our courts to imagine, Mr. Chairman and gentlemen of the committee, the building of no more golden road to the accomplishwhich, if they do obtain control of the | for the last seven or eight years, uplegislative bodies or of the lower taxation authorities in this Commonwealth, they can shift the burden from themselves to the real body of the people. stand somewhat the subject of taxation But over, above, beyond and beneath what may be the practical result of ciple into our fundamental law, with me wrong, repugnant to every sense of fairness, justice and good government.

Who, in the conduct of any ordinary business of life, in which a division of interest is contemplated, would say that the principle of the fair ascertainment of value, and then an equal pro rata tax upon that value, is not the only proper way of arriving at the share of payment to be made by each conthibuting party:

I remember once to have been for the common council was by turns domireal estate in the city, and by those who portion of the taxes of the State. controlled the mercantile classes; and we passed, by a succession of movements, through the positions of punishing the real estate holders for the money necessary to carry on the town, and then, on the change in the common the pendulum council, would

swing, the merchants would grow tired of submitting to exactions in the way of licenses which were unfair, and they would obtain possession and throw possible even when we had the protection in our organic law of a declaraand it seems to me it would follow as adoption of a section containing a lack taken greater advantage of the present of principle, such as this. I see no good object to be attained

by it. I have tried to think what would | could hide. There is no trouble about the majority necessary, as has been stated, to carry the assessment has been fair, to pay ion as that proposed in the amendment very purpose of preventing injustice; in your fair share of the taxes but those, of the gentleman from Petersburg (Mr. order that the true theory of taxation)

principle to taxation, we want to pro- amount of taxation to be devolved uptect the people who may not be able to on the corporations, particularly of that class of corporations to whom surrender of the eminent domain has been made. Gentlemen, for these reasons, I am It may be that the consideration which has impelled the committee is that it tleman, who was the chairman has now might be necessary to carry out the amendment of the gentleman from Petersburg (Mr. Hamilton) covers the subjects of taxation between the State and offer the provision, which is consame point, I will not take the time of the and the various sub-divisions, but even tained in this section, if it is the moncommittee to offer it, but I felt it was then, what would be the necessity, or strosity that has been painted here by where would be the right of all owing a the gentlemen who preceded me. Mr. on record to this report, to make this nunicipality to deal with different class. | Chairman, let me test, I do not say es of property in a different way? I sincerity-I will not say that, because cannot see, and I do not believe that I do not doubt the sincerity-but let me any logical mind can see, a single ra- test the information of the gentleman, tional defence to the proposition that who have preceded me on this ques-\$100 worth of value in this State would tion, when they have stated on this be taxed more than any other \$100; and floor that rather than have the prothat is and must be the logical conclu- vision which we offer in this section sion of an application of this section to the practical affairs of government. Legislature. How can that be the seri-If it does not mean that the Legisla- ous determination of a man who can tures and the councils and the boards appreciate what would be the extent of of supervisors may do that, it does having restriction in the Constitution? not mean anything. If it does mean What earthly protection would you that \$100 worth of real estate in the have? Yet you, in the earnestness of city of Richmond may be taxed at one your remarks, have said that you would rate and \$100 worth of personal prop- rather have nothing in this Constitution, erty in the city of Richmond may be no restrictions, no limitation, no protectaxed at another rate, if it does not tion whatever to the system of taxamean that a tobacco factory worth \$10,- | tion than to have this provision that 000 may be taxed at one rate, and that is here offered. a carpenter shop worth \$10,000 may be taxed at another rate, if it does not mean that a \$10,000 mine in your county, valued fairly at \$10,000, may be taxed \$500 a year, and an iron mine in your county, worth \$10,000, may be taxed \$200 a year or \$1,000 a year, or that, to broaden the application any property of the same value in any section of the State may be taxed a greater or a higher annual rate than the same class

> guage and the application of law. If the committee has found or finds any conflict between the maintenance of what I regard to be a sacred and necessary principle in the Constitution, and the arrival at proper results in the taxation of the class of corporations to the committee and to the members of the Convention, and promise my aid to any measure or course of measures which will legitimately carry out the object of deriving a proper amount or share of revenue from those corporations. But let us not destroy the great plish a special purpose against one class As I understand the amendment of-

> fered by my colleague from Petersburg

(Mr. Hamilton), it does not at-

of property, only of different expression,

or name, in another, then I am utterly

unable to understand the force of lan-

article requires an improper share of the slightest degree, the carrying into execution of the ratio of taxation of these corporations which the committee has declared to be just and proper, to which I here pledge my assent, my voice and vote. That being the special obstroying an essential and fundamental ject which appears on the surface here, and that having been accomplished I beg you gentlemen, with the little strength either of thought or voice that I have now at my command not to go It seems to me when you strike this further to endanger the peace and the great principle of equality and uni- rights of all of these people by taking formity of taxation from this Consti- from then that safeguard which guarantution, you place it in the power of the tees that this great government shall deal classes of property. If this provision pose taxes, is far different to-day. The preponderance of any interest in any with every man and every class of taxing or legislative body to burden the property owned by him with equal hand. the Finance Committee I could see some excuse for it on the ground that con-Provide for the ascertainment propthe world why the Legislature of Vir- make fish of one, fiesh of another and ginia, or the common council of any fowl of another. Treat all alike. That is justice, and it is the basic idea of the of supervisors of any county, should government under which we live. With not assess a hundred dollars worth of the highest respect for this commitreal estate at one price and a hundred | tee and for the intelligent work it has done, I am constrained to believe and to say that they have made a mistake

> not receive the endorsement of this committee. Mr. MEREDITH: Mr. Chairman, I thought the gentleman from Pulaski (Mr. Wysor) desired to addres the com-

in this first section, and I hope it will

Mr. WYSOR: I have some remarks o make, but I thought I had better draw your fire first.

mittee.

Mr. MEREDITH: I have no object tion to the first fire, sir, and I will go on, but I thought you would prefer to proceed at this time.

Mr. Chairman and gentlemen of the committee, you will readily give us credit for at least believing that there are some reasons for the provision ficulty in entering a legislative hall and which has been recommended by us; especially if the thing we recommend is the accompishment of their ends, I can the monstrous evil, that hos been portrayed by these gentlemen who are opposing it. If you will examine the signatures to that report you will see that ment of their purpose than by striking it comprises some of the men who have down this well-established principle of had a great deal to do with the finangovernment, and opening the door by cial features of the State government on the finance committee of the Senate, and upon the finance committees of the House. They are men who undermen who have been brought in contact with it, and have seen where the difthe incorporation of this lack of prin- ficulties of it lie. It is fair to presume that, in addition to their experience is the consideration that it is inherently they have a sense of justice that would prevent them from desiring to impose any unfair tax upon any class of people. I think that is a fair presumption.

In addition that that, Mr. Chairman, I represent a constituency, which according to the pictures, that have been painted here by these gentlemen, might suffer as much as any, and yet I do not hesitate to say that I do not believe the present idea of taxation in this State is fair to the larger part of it; some years a citizen of a town which that it is a grievous and unjust burden, and that the large portion of this State nated by the classes which owned the has been for years paying an unjust

Mr. Chairman, I am glad to say that I am supported in that view by the genleman, who was Chairman of this committee and was obliged to resign his position in this body because of ill health; a man who has as much connection with the financial enterprises in this State, as any man I know of, from banks to manufacturing establishments and on to railroads, while he he heartily approved of this proposithe burden the other way. This was tion that there should be an equality of taxation, as our opponents are claiming, yet he held that it could not be tion of equality and uniformity of taxes; gotten at under the present system of taxation. He recognized that is no of necessity and universally upon the class of people in this State who have

Those of you, who own property that

who have been able to hide their property, have been able to avoid what has been simply a tair share of the burden. Mr. Chairman, it would be a little

surprising that both myself and the gensuch connection with the financial in-

they would have no restriction upon the

Gentlemen, I respectfully submit that when you come to discuss the question of taxation, it is not a thing that you can weave out of your mind i nfive minutes. It is not a thing as to one' mind should jump to conclusions. It has been the matter of serious and earnest study by some of the ablest minds of this country, and their thoughts and conclusions are worthy of consideration before you express any crude ideas upon the subject.

So far as I am concerned, if these gentlemen who are opposing this measure can stand it, I will agree that nothing shall be put in the Constitution I will accept the proposition, if you will go heartily with me. I will go with you, but I must state that I do not believe it will be wise to pursue that course. To say that you would rather not have some restriction in the Constitution, so as to at least have a system of taxation by which men of the same class shall be taxed alike, that you do not want even that protection, but would rather have none at all, is, I respectfully submit, the expression of an unthought of thought, if I may so express myself; certainly an ill considered idea.

Mr. Chairman and gentlemen of the committe, let us see the origin of the language we have in this report. It is taken, sir, verbatim from the Pennsylvania Constitution. If there is any State in this Union that is regarded by writers upon economics as far in advance of any other State upon the subject of taxation, it is the State of Pennsylvania. Are the gentlemen aware of you attack us for making a report for the benefit of the State. Nearly all the economic writers will tell you that the State of Pennsylvania is far in advance of the other States of this Union upon the subject of taxation. We have adopted verbatim, I say, the language of the Pennsylvania Constitution.

Mr. MARSHALL: How long has that been in operation?

Mr. MEREDITH: Since 1873, sir. If the chairman of the committe will allow me to have his book, I will call your attention while I am on that subject to the States that have no limitation whatever upon their Legislatures 1851. They are the States of Connecticut. Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont the thriftiest, wealthiest States in the Union where the people are not ground down by injustice and unequal taxation, but States that have greatly prospered along lines of manufactures and works and internal improvements. Those States have no provision, no restrictions whatever upon their Legislatures.

Mr. R. WALTON MOORE: New York, in its recently revised Constitution, omits any provision at all.

Mr. MEREDITH: Yes, sir. When you come to the States of Colorado Georgia, Idaho, Montana, Louisiana and Missouri, you will find they have virtually the same principle as the Pennsylvania Constitution. There are but eight or nine States that have a provision anything like the one we have in our Constitution.

What is the reason of this? The peorle of those States had some reason for it. It is simply because they have had the idea that actual, tangible property is not the only thing to look at but that it is the faculty or feature of productivity that you must consider.

Mr. CAMERON: I dislike to interrupt the gentleman, but I wish to ask whether it is possible to reach that by

Mr. MEREDITH: No, sir; it is im possible to reach it by assessment, and it is so recognized. The principle is that there is no equality of taxation unless you have a classification of subjects, those subjects that come in immediate competition. That is the principle. It must be the subjects of taxation that come into immediate competition, in order to have equality of taxation. You must divide the subjects of taxation into classes. But I am off from what I started to

say. I have called your attention to those States which have no limitation upon the Legislatures, and that instead of suffering and having their citizens driven from their borders by unequal taxation, they are the thriftiest and the wealthiest States in the Union. I have here a report of the Tax Commission of the State of Minnesota, which is suffering under a general property tax, as called by economists, the same system that we have in this State. They recommended and prepared a bill for the Legislature of that State to pass, asking that among the amendments to the Constitution there shall be this: "All taxes shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax, and shall be levied and collected under general laws for public purposes."

Mr. R. WALTON MOORE: That report is just issued.

Mr. MEREDITH: Yes, it is just issued. It is a report for 1902. Mr. FAIRFAX: And that is a report

of a commission which was approvision in the Constitution than those pointed for this especial purpose in the State of Minnesota, who have owned the property they which has the same provisions in its Constitutions that we have in our old Constitution: virtually the same provis-

Hamilton). This commission has been in session for the last 12 or 13 months, and has just made its report.

Mr. MEREDITH: I stated, Mr. Chairman, that we had virtually been free also until 1851, and then we put for the first time in our Constitution the requirement of equality what, from the for the express language of the gentleman from Petersburg (Mr. Cameron), is supposed to be necessary for the life of a State. From what he said one would think that we could not possibly live under any system of government unless it should be declared that taxes should be equal and uniform. Yet we lived under it until ignoring this historic fact, as well as ig 1851; and it was then put in for one single purpose, as declared by the Supreme Court of the State in the case of Slaughter, in 13th Gratton, and that was to protect slave property. That was the sole purpose for which it was put in there. You will find that when they put that provision in the Constitution of 1851 seeing how dangerous it was to require that all taxation should be equal and uniform, no matter what might be the class of property, no matter what might be the nature of it, that all should be taxed equally, at the same rate of taxation-they had to put in there also that there might also be levied taxes upon salaries, incomes and licenses. What did that additional provision mean? What is the system of licenses? Is it equality of taxation except among the class upon which it is imposed? Do you not know that you order to satisfy the railroads and not to do not tax the liquor dealer like you do the merchant who sells dry goods? Do you not know you do not tax the lawyer like you do the physician? Do you not know you do not tax the merchant like you do the manufacturer? It is simply a taxation based upon the theory of the productivity of the property, and not upon the property itself, and the he is not going to take valuation as the tax is according to the classes in which

Mr. CAMERON: I desire to interrupt the gentleman for one moment. I think he is assuming a little too much ignorance on my part. I do not claim to have all the wisdom in the world, or even so much as has been exercised by this committee, but I must be given credit for an ordinary amount of acquaintance with the affairs of government of my State and with its laws. I know that licenses are imposed where the values cannot be ascertained. I know that those licenses are supposed to be imposed with reference to the incomes derived from the business or the professions. I also know that assessments and the arriving at value under assessments is supposed to be done by taking the productivity of the property itself as

the basis of its value. Mr. MEREDITH: Mr. Chairman, I did not deny that the gentleman knew the facts, but what I was calling attention to was he did not recognize the theory upon which the facts had come in containing. which the facts had come in existence. it? Centlemen, we have the right to his theory is right, why did you not say ask that you study this subject before there should be a license tax of one hundred dollars upon anybody doing any kind of business? If there must be equality of taxation, if there shall always be the same tax, wny do you say a tax upon one man shall be one thing for doing one class of business, and another tax upon another man for doing another kind of business, and another tax upon another man for do-ing still another kind of business? It is because it is recognized that equality of taxation would be inequality and injustice, upon the principle upon which our wish is to be based, that is to say, that the same rate of taxation must be laid upon everybody.

We are contending that that proposition is a false theory. That the proper way is to put the subjects into classes, and as to taxation—just what we had up to when you have them in classes, then all the people in a certain class si taxed one way, if necessary, and all in another class shall be taxed in another way. The basis of taxation should not be property, but its prductivity, ou do not tax property; it is the person you tax. You get at the tax upon the erson by reason of the value of his property or any other standard. What has the State to do with property? It is the person she taxes. Therefore when we come to lay a sys

tem of taxation it should be upon classes of subjects, for the purpose of seeing what ach person ought to bear. Why should a man, who is in one class of business, have the same license tax put upon him as is put upon another man in another class of business? Do the men in the different classes of business come in contact with each other? Are the circumstances the ame? Are their incmes the same? Are their methods of making money the same? Are their advantages the same There cannot be any system of equality of taxation unless it be upon the basis of the classification of the subjects of imediate competition.

Mr. Chairman, I would not read an au thority to this body except for the fact at these gentlemen have stood here and alked as if we were advocating a theory hat is wild and unknown. I want to call our atention to a statement of a writer, whom I respectfully submit, any man, who has considered this subject reat consideration. I speak of David A. Wells, one of the greatest economic writer of this country:

'Scientifically considered, it means the making of the burden of taxation equal upon all subjects of immediate competi-

And that is the true principe that where one man comes in competition with another, he shall bear the same burden as the other man; but where the advantages and the circumstances are different as to different classes, then the law has the right to tax according to the class, and it loes not do an injustice to any man by taxing upon that theory. Says he

"It is also well to remember that when the term 'uniform,' in respect to taxation is used, it is essentially the same and that uniformity of taxation does not consist in the payment of the same amount y each tax-payer, but that the proportion the value of each particular class of that subject which each party pays in axation to the State shall be everywhere the same. Now, Mr. Chairman, I want to call your

attention to another thing that these

gentlemen seem to have misunderstood, as to the object we had in putting this think that it is giving to the Legislature more power than it would have if you had nothing in the Constitution about it. That, gentlemen, is not born out by the history of the original draft of this idea in the Pennsylvania Constitution. The fact that up to 1873 Pennsylvania had no restriction in her Constitution. She stood ke Virginia up to 1851, with an unlimited power in the Legislature on the question of taxation. But it was found that by manipulating the Legislature different individuals, on the same classes, would have different rates of taxation imposed upon them. They were able to get an unfair system of taxation, by not having uniformity as to class. This provision was put into the Constitution for the purpose of restricting the Legislature. Yet the as though this provision gave a greater lower to the Legislature than it would ave if there was no provision at all. The historic fact is that it was put into

should be carried out, so that it should not be possible, that a man in one class should have one rate of taxation, through favoritism, and that a man in the same class should, through unjust discrimination, have a different rate. So I call your attention to the historic fact that this provision was put into the Constitution for the express purpose of restricting the Pennsylvania Legislature and to make it net fairly, according to the true rule, namely, that all persons in the same class should stand alike. That is the history of it, and I respectfully submit that these gentlemen, when they say that the would rather have nothing in the Consti noring the benefit to be derived from it as a system of taxation, namely, that all men of the same class shall have jusequal and uniform faxation between all the people of the same class.

Mr. HAMILTON: Will the gentleman

Mr. MEREDITH: With pleasure. Mr. HAMILTON: I would like to ask the gentleman if he will give some reason why it is ever right to have a differen rate of taxation upon diagrent classes of property, if that property is fairly valued? Mr. MEREDITH: Because, Mr. Chairman, it is absolutely impossible to get at what you call the market values of some classes of property. You cannot get at the market value of the railroads, and we do not propose to do it in this report. We offer the scheme of railroad taxation contained in this report really as a cor promise measure, for what we thoug was a better scheme of taxation. But in get too much taxes out of them imme diately we adopted this compromise. is impossible to give the market value of railroad property and, in the same

Mr. HAMILTON: Will the gentleman allow me to ask him how he expects t get at the value of the thing he taxes, if Mr. MEREDITH: I have said it is in

it is impossible to give the market value

possible to get at the actual market value. It has no actual market value. It has a alue which the several States get at h different systems of taxation, and they do it just as far as they are able to do it, some in one way and some in another. Some have the franchise value fixed earnings of the riad; some by the market value of the stoc. plus the market value of the bords not above par; some by th ing the stock and bringing in the In other words, there is a groping in the dark among scientists of this country today who are trying to get at a proper in order that they may bear their fair share of the taxes. It is impossible to state, as yet, what is the true principle. It is just as impossible to state that as to state absolutely anything else that is no settled, because the facts have been ascertained upon which to base a final theory Mr. Chairman, this idea that my friend has, of having what he calls equal taxation, or equal and uniform taxation upon all persons, is going back to what the economists of to-day tell us is not only an exploded theory, but the grossest in-justice. It is denounced by every textwriter. They all say that it allows the classes of property that ought to be taxed to escape and puts the burden, finally upon a few. That when you undertake to tax, according to a general property tax, you are doing the grossest injustice. It was easy, in olden times, when the classe nearly all visible, when it was land or horses or cows or furniture or jewelry. It was easy to have a general property tax. But the state of society is different now. There are hundreds of different classes of property that you cannot put your hand on. Don't you know that values have seen sub-divided by stocks and bonds and things of that kind to such an extent that it is absolutely impossible to reach them all by a general property tax. I sa yiu will find it is absolutely impossible t apply the old rule of a general propert tax. You may take every writer economics and you will find that statem made. You may take this work from which I have read. Wells, or the work by "Seligman" and you will find that both denounce it as absolutely unjust to the man who owns visible personal property to the man who lives in the country an has his cow and his horse that can be who has a bond in his pocket cannot b gotten at. We must recognize that system of taxation as unjust. No man can sa that I, with a nundred dolar bond in m pocket, ought to escape taxation, the man who has a hundred dollar hors or cow should pay it. No man can say that is a fair principle; and yet that principle exists in our Constitution to day; and the application of it has been found to work the grosses injustice.

Mr. CAMERON: Will the gentleman
permit me to ask him a question?

Mr. Merrepolith: Yes, sir.

Mr. CAMERON: If I have a bond for a

Mr. CAMERON: If I have a bond for a hundred dollars in my pocket which you cannot find, and you have a cow worth a hundred dollars in your back yard where everybody can see it, is there any inequality of burden in taxing you 40 cents on \$100 on your cows, and taxing me 40 cents on \$100 on my bonds?

Mr. MEREDITH: No; but what is the use of asking a question as to which you have begged the question in the beginning; you say you cannot get at the bond.

have begged the question in the beginning; you say you cannot get at the bond.

Mr. CAMERON: I want to ask if there is anything in the announcement of what is said to be a principle in section I of this report, that will enable you to get at the bond any better than you do now.

Mr. MEREDITH: Yes, sir; because it allows us to tax the franchise according to what the State may deem the franchise value of each class of corporations.

Mr. CAMERON: Has not every speaker

Mr. CAMERON: Has not every speaker has antagonized section 1.

Mr. MEREDITH: I am aware that the statement has been made, but it was mad without due consideration, for you declar hat the tax rate shall be equ destroy the theory of

that the tax rate shall be equal, and by doing that you destroy the theory of equalization of taxation.

Mr. CAMERON: Except as provided in this Constitution?

Mr. MEREDITH: We do not provide for different rates in this report. We leave the Legislature to say whether the merchant selling dry goods shall have the same rate of taxation put upon him for same rate of taxation put upon him for the use of his franchise that the railroad has for the use of its franchise, when you Mr. THORNTON: May I ask the ger

Mr. MEREDITH: Certainly, sir.
Mr. THORNTON: Does the word "uniform," in the report of the committee, mean the same as equal?
Mr. MEREDITH: It does, as to classes.
There is no doubt about it. There is de-There is no doubt about it. There is de cision after decision to that effect, in rec

ognition of that principle.

Mr. CARTER: I would like to ask the

Mr. CARTER: I would like to ask the gentleman if section 3, beginning in the fourth line, does not provide for the taxation of franchises, and also to ask whether the section now under consideration does not give to the Legislature and to municipal bodies the power to discriminate between different classes of real estate, for instance?

Mr. MEREDITH: No sir; I do not be-lieve anything of the kind as to real es-tate; but it can have a different rate of tate; but it can have a different rate taxation between one class of manufacturing companies and Sother class. It can tax a gas company and an electric power company on its franchises, at a higher rate of taxation than the man who is simply selling dry goods. The value of the franchise to the man who is selling dry coods is nothing in the world but a profranchise to the man who is selling dry goods is nothing in the world but a protection from individual debt, while the value of a franchise to an electric company or to a gas company is the use it car make of the streets, and the monopoly it has in the community, and therefore the rate of taxation should be higher upon on

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