

**INDIANA UNIVERSITY BULLETIN, VOL. XII,
NO. 15, JANUARY 15, 1915. PROCEEDINGS
OF THE SECOND ANNUAL
CONFERENCE ON TAXATION IN INDIANA,
HELD IN THE CLAYPOOL HOTEL,
INDIANAPOLIS, DECEMBER 1 AND 2, 1914**

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INDIANA UNIVERSITY BULLETIN

{ JANUARY 15,
1915

Indiana Tax Conference, 2d.

PROCEEDINGS OF THE

SECOND ANNUAL CONFERENCE

ON

TAXATION IN INDIANA



Held in the Claypool Hotel, Indianapolis,
December 1 and 2, 1914

Under the Auspices of

The Extension Division of Indiana University and the
Indiana State Tax Association

Bloomington, Ind.

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1915

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Prefatory Note

The second Conference on Taxation in Indiana was held at Indianapolis, December 1 and 2, 1914, under the auspices of the Indiana State Tax Association and the Extension Division of Indiana University. The purposes of the Conference were to consider the defects of the present tax system, what other States are doing to improve their systems, and what may be done in Indiana to correct the existing evils.

Upon invitation delegates were appointed by the Governor of the State; officials of cities, towns, and counties; officers of State and local commercial, occupational, financial, horticultural, agricultural, and professional societies; central labor unions of cities; colleges and universities; and the Indiana Federation of Women's Clubs. It was gratifying to note that a large number of these delegates were present and that all sections of the State were represented. The sessions were open to the public and the large attendance showed the wide interest in the subject of taxation.¹ The program as announced was carried out with two exceptions: Hon. William H. O'Brien and Hon. Warren Bigler were unable to attend. The paper of Mr. O'Brien, however, appears in the published proceedings. The paper of Mr. Dunn has been omitted. With two exceptions the speakers were all citizens of Indiana. Many of them have had practical experience in the administration of the tax laws and were, therefore, enabled to speak with authority concerning the operation of the system.

The Conference was called to order by William A. Rawles, President of the Indiana Tax Association. It was organized by electing Mr. Rawles permanent chairman and Fred Bates Johnson secretary, and by authorizing the chairman to appoint a committee on credentials to consist of one member from each congressional district and a committee on resolutions to consist of seven persons. Later in the day the authorized committees were appointed as follows:

Committee on Credentials.—Carl Lauenstein, Evansville; Mason J. Niblack, Vincennes; Charles L. Jewett, New Albany; Joseph M.

¹A list of those who registered is given in the appendix. Many others who attended did not register.

Cravens, Madison; T. D. Brookshire, Roachdale; John M. Lontz, Richmond; Evans Woollen, Indianapolis; G. G. Williamson, Muncie; Samuel T. Artman, Lebanon; George P. Haywood, Indianapolis; John R. Browne, Marion; Anthony Deahl, Goshen; Samuel M. Foster, Fort Wayne.

Committee on Resolutions.—Lewis S. Bowman, Richmond; Marcus Sonntag, Evansville; Thomas F. Moran, LaFayette; James A. Houck, Indianapolis; T. C. McReynolds, Kokomo; Aaron Jones, South Bend; Fred A. Sims, Frankfort.

After the completion of the organization the presiding officer of the session, Hon. Samuel M. Ralston, Governor of Indiana, was presented. He called attention to the increasing financial demands made upon governments and the need for thorough study of the important question of taxation. The general theme of the first session was Public Expenditures. A summary of the papers read will not be attempted here. The presiding officer of the afternoon session was John H. Holliday, President of the Union Trust Company. The general subject for discussion was the Effect of High Tax-Rates. At the morning session of the second day Mr. Charles F. Remy presided and the discussion was centered upon What Other States Are Doing. At the last session, with Mr. John B. Stoll presiding, the Conference considered What Is the Remedy in Indiana?

The Committee on Resolutions submitted the following resolution, which was adopted:

Resolved, That the Executive Committee of the Indiana State Tax Association be and is hereby requested to appoint a committee, representing all classes of property in the State of Indiana subject to taxation, with a view to evolving a system of taxation that will be just and equitable to all the taxable interests of the State.²

² The membership of the committee as subsequently appointed is found in the appendix.

Second Conference on Taxation in Indiana

I. INTRODUCTORY

ADDRESS OF PRESIDING OFFICER

HON. SAMUEL M. RALSTON, Governor of Indiana

I have but a word for you this morning. It is suggestive that I have been called upon to preside over this particular session of your Conference. I note that the subject assigned for discussion this morning is "Public Expenditures." I have a faint impression of having heard something said upon that subject during the recent campaign. (*Laughter.*) Of course you would not expect me to admit that it rose to the dignity of a discussion, but I will concede that it was said with considerable vehemence.

Public expenditures, gentlemen, at once direct our attention to the greatest power of government, the power to levy taxes. The abuse of this power had so much to do in the formation of the American Republic that the American people are more alert regarding its exercise than they are upon any other power of their government. It is commonplace to declare in this country that the power to tax is the power to destroy. That is another way of saying that in the absence of a constitutional or a statutory inhibition those charged with the responsibility of raising or levying taxes may become oppressors.

We boast, and rightfully, of our form of local self-government in this country, but we do not always recognize our failure to perform our duties as citizens to that government. The people must say, in many instances, for what purposes taxes shall be levied. This occasion affords a good opportunity to point out how the burdens of the people are increased through their failure to discharge their duties as citizens, and that fact, I hope, will be pointed out in your deliberations.

The machinery of government cannot be operated without taxes. Every time that machinery is enlarged through the failure of the people to discharge their duty to their government, or otherwise, taxes are necessarily increased. I think we might as well