

shire was permissible, was on record. The attorney-general had given an opinion that there was no objection in law to a precisely similar organization. Nevertheless, Parliament suppressed the Land Bank by legislation which was retro-active in character and far-reaching in consequences. One of the directors in that bank was Samuel Adams, the father of the agitator, nor was it strange that the son should be found exercising every power at his command against the encroachments of the Crown. There were a thousand subscribers to the Land Bank, every man of whom had a personal grievance against Parliament; and all of whom had friends who sympathized with them. "The act to destroy the Land Bank scheme," said John Adams, "raised a greater ferment in this province than the Stamp Act did."

A discussion of the subject treated in this book, which does not make use of the materials furnished by the published House Journals from 1715 down to 1775, cannot be considered complete. Within the pages of the journals will be found many samples of special pleadings, smart rejoinders, and cheap attempts at repartee, which will satisfy those who hunt for them, while the steady adherence to certain general principles underlying the main arguments of the House will be grateful to those who see in this preliminary contest something more than an inherent antagonism in a form of government. Here can be found the work of Elisha Cooke, whose mantle fell upon the shoulders of Samuel Adams, and here can be traced the growth of the direct appeals of the representatives to the people for instructions, which made effectual the "extra-constitutional bodies" so fully described by the author. So far as this book is concerned there is no evidence that use has been made of these materials. Nevertheless, as was said at the beginning of this article, methods of treatment and supposed omissions are, in so careful a book, mainly matters of personal opinion. The author has earned the right to be judged by his valuable work as it stands and not by the ideals of others.

ANDREW MCFARLAND DAVIS.

*Taxation and Taxes in the United States under the Internal Revenue System, 1791-1895.* By FREDERICK C. HOWE, Ph.D. (New York: T. Y. Crowell and Co. 1896. Pp. vi, 293.)

In this volume on the history of the internal revenue system of the United States, Mr. Howe has touched a side of American history and finance that has been singularly neglected, and has directed attention to a series of questions that may at any moment be made the subject of practical politics. Whether we regard the internal revenue system on its historical, financial, or practical side it will be found instructive and important. To the student of taxation, our experiences with inland taxation during the Civil War constitute the most remarkable chapter in the history of modern taxation. No other country has ever had a similar experience in so short a space of time. To the student of our history and institutions, no more telling indication of the changes wrought in

our legislative and administrative system by the Civil War exists, than the sudden break that was then made in the traditional revenue policy of the national government. And if we go back to the earlier decades of our history, we find the question of internal taxation exercising quite as deep an influence on party politics and constitutional theories as the bank question or the tariff question. The tariff and the currency have long had their historians, but Dr. Howe's book represents the first attempt, at any rate in English (for we must not forget Von Hock's elaborate study) to deal in a scholarly and exhaustive fashion with the history of internal taxation.

The book divides itself into two parts although the author does not so distinguish them. The introduction and first three chapters, which make up the first part, give the external history of the internal revenue from the first attempts of the Federalists down through the Civil War. In this part of his book Dr. Howe has made it his especial task to develop the relations between internal taxation and politics in our parliamentary history; and rightly, for questions of taxation were not discussed in the light of financial policy by our first two political parties, but rather with reference to their bearing on political and constitutional development. "The position occupied by the custom and internal taxes is but the mirror of opinions prevailing as to the nature of the Union." This is the key-note of the author's treatment. Hamilton's measures for a federal excise—the motives that suggested them, the criticism and opposition they provoked, and, finally, their influence in bringing on the political revolution of 1801 and the downfall of the Federalists—are discussed with fullness of knowledge and judgment. No new material is brought to light here, no new theory of interpretation is advanced, but Dr. Howe has massed the material in such a way as to give more striking significance to the historical inferences it supports. In this respect his treatment is distinctly fresh and interesting.

From a fiscal point of view Hamilton's system was purely tentative. It never developed into an effective or productive resource. And yet it embodied the fundamental principles and outlined the methods that were followed on the revival of internal taxation in 1813 and again in 1862. The taxation of luxuries, chiefly in the forms of spirits and tobacco, this was Hamilton's principle and this is the basis on which our present system rests. (In this connection it would be interesting to know whether Hamilton followed English precedents to the same extent in the shaping of his internal taxes as he did in other parts of his financial system. But this point is not discussed.) With the Civil War the internal revenue system entered on a new and more serious phase of development than would have been thought possible at the beginning of the century. It quickly passed from the domain of theoretical politics to that of practical finance. It had become a fiscal necessity, and the enlarged construction of its powers, to which Congress was rapidly becoming habituated as the war advanced, finally resulted in the development of a system of internal taxes that is without a parallel. The catalogue of all known or tried ex-

pedients was exhausted. Arthur Young's ideal of taxation, that it should bear on an "infinite number of points," was realized; but with results that would have disturbed the great agriculturist's confidence in his maxim. For industry was harassed, commerce dislocated and speculation stimulated by the multiplicity and complexity of taxes. Nor was the internal revenue system productive of much revenue until the last year of the war. Our experience, as Dr. Howe points out, is conclusive that a great and intricate piece of revenue machinery cannot be improvised in the midst of emergency. As it was, the internal revenue system was of service less from any direct relief it afforded to the Treasury than from the support it gave to public credit, thus saving the loan policy of the government from a more disastrous failure.

So much for the first part of the book. The second part is a detailed study of the several taxes that made up the internal revenue system of the Civil War. Separate chapters are given to the direct taxes on land, income and corporations; to taxes on inheritances, sales and transactions; to the direct taxes on consumption and the general excise upon manufactures; to the administration of the system; and to the present situation with respect to revenue. A vast mass of material has been gathered together, carefully sifted and brought to the crucible of criticism. Much of this material was in the rough, but it has been handled with skill and independence. The book is pleasantly free from the compilatory quality so frequently met with in works based largely on public documents. Dr. Howe never casts his material in a mechanical mould and always adapts his treatment to the particular interest attaching to the study of a given tax. Indeed, this part of his work is a study of the different war taxes from the point of view of fiscal and economic expediency. The income tax is studied mainly with reference to its elasticity and productiveness, and its particular value as an emergency tax. The taxes on consumption are studied mainly with reference to the connection between variations of rate and yield, the effort being made to determine the maximum revenue point in the case of the more important revenue commodities. The general excise is exhaustively examined with reference to its economic effects on industry, prices and wages. It is condemned because of its economic harmfulness rather than because of fiscal defects.

If we find something to criticise in these chapters, it is rather a certain deficiency in the author's general knowledge of taxation and the literature of taxation, than any want of familiarity with his immediate subject. There he is always at home. But it would be possible to point out many cases, *e. g.*, his favorable judgment of the "direct" tax as an emergency tax (p. 84), his assumption of the non-transferability of an income tax (p. 94), or his claim to the establishment of a new canon of taxation (p. 145), in which a better acquaintance with the literature of taxation, even the American literature, would have led him to other conclusions or, at any rate, to an expression of some of his present conclusions with greater caution. The only criticism to be made of this part of the work as a whole is the slight attention paid to the legislative his-

tory of the internal revenue system. If Dr. Howe had followed the debates of Congress, he would have had no difficulty in understanding the ready acquiescence of the majority in 1861 in the proposition to establish an income tax.

A. C. MILLER.

*The Middle Period, 1817 1858.* By JOHN W. BURGESS, Ph.D., LL.D., Professor of Political Science and Constitutional Law in Columbia University. [The American History Series.] (New York: Charles Scribner's Sons. 1897. Pp. xvi, 544.)

So the United States, like Europe, has now its Middle Age! The phrase here applies to a period of uncertain destinies when the sentiments of strong nationality and strong particularism struggled together towards a doubtful victory. In the first chapter on "The Nationalization of the old Republican Party" the stage is cleared for the two combatants. National independence was finally won in the war of 1812. Pride in national feeling was universal. The separatism of colonial times and of the Resolutions of '98 was extinguished and all parties and sections evinced a tendency to magnify the offices of the central government, at once the symbol and the organ of nationality. On one side stood Calhoun advocating a national bank, a protective tariff upon manufactures and national appropriations for internal improvements. On another side were heard the acclamations that greeted Jackson's bold performances in Florida or the annexation of the same country by the diplomacy of John Quincy Adams. Then began the reaction towards particularism, devotion to local interests, "states' rights." It was inspired first by slavery in the long struggle over the admission of Missouri. It was entangled with dissensions due to economic interests, in the tariffs of 1824, 1827 and 1828, and it was promoted by those dissensions. The author shows how and why, after the Missouri Compromise, the slave-holding aristocracy began to take refuge in the citadel of "Strict Construction." It may have been King Cotton that, by the mouths of Thomas Cooper and George McDuffie, 1827-1832, first called the Democratic party back to the Jefferson of '98. But it was the slave power that appropriated the doctrine and, after the contest over the abolitionist right of petition, became master of the political force of particularism.

Here begins the historic, continuous duel to which these opening chapters have but furnished the preludes. It is the duel between reaction and progress, between disorganization and centralization, between slavery, upholding a political science of compromises, of sectional interests and of industrial crudeness and dependence, and true democracy seeking to frame a political science consistent with itself, strong in national feeling, intoxicated with "equality" and nurtured amid the leveling influences of the western prairies.

The last two hundred pages of this volume, although divided into ten chapters, are really but a monograph on the acquisition of Texas and the