

momentary demand of expediency, or the influence of counter-vailing considerations, the line of development is evident, and the ultimate result must necessarily harmonize with the facts of economic and social relations.

Let us test the theory of development as laid down in the above pages by a reference to the history of taxation in America. It is well known that the primitive revenues of the colonies were composed largely of voluntary payments, of subsidies or allowances from abroad, of quit-rents, and of occasional fees and fines of early justice. But it has usually been overlooked that when the voluntary offerings turned into compulsory contributions, the tax systems in the various colonies were quite different.

The New England colonies were democratic communities where almost every one owned some land, and where the distribution of property was fairly equal. We therefore find as a characteristic mark of New England, in addition to the primitive poll tax, the tax on the gross produce of land either actual or computed according to the quantity or quality of the land. This slowly grew into a real property tax, which soon expanded into what was nominally a general property tax. And this itself was supplemented by a tax on town artisans and others who subsisted on the produce not of their property, but of their exertions. To the property tax was now added the "faculty" tax.¹

In the Southern colonies, which were aristocratic in their economic substratum, the land tax played an insignificant rôle, because the large landowners naturally objected to bearing the burdens. After the introduction of slavery it became difficult to retain even the poll tax, which when laid on slaves is practically a property tax on the slave owner. Hence we see a system of indirect taxes, mainly on exports and imports, falling with special weight on the poorer consumers.

Finally, in the middle colonies, above all in New Netherlands, the conditions were neither democratic nor aristocratic. There was no such approach to equal distribution of wealth as in New England, and no such preponderance of the landed interest as in Virginia. We find the dominance of the moneyed interest or of the trading classes, who brought with them Dutch instincts and Dutch methods. Accordingly, there was no system of poll and property taxes as in New England, and no system of in-

¹ For details as to the American "faculty" taxes, see Seligman, *The Income Tax*, 1911, pp. 367 et seq.