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The *Cantonal* taxes present various features of interest. It appears that direct taxes flourish best in the more urban, indirect in the agricultural, cantons; contrary to Thiers' *dictum*, " Pays pauvre, pays esclave et impôt direct; pays libre, pays riche et impôt indirect." M. Cérenville assigns as a reason for the distinction which he has observed, that ready money has a special value for the agriculturist, a great part of whose income consists of goods in kind, not easily valued, for the purpose of taxation.

Among the direct Cantonal imports are found taxes on property as well as on income. M. de Cérenville prefers the latter kind for reasons which deserve attention.

Among the numerous experiments in taxation which Switzerland is trying, progressive taxes in great variety may be noted. M. de Cérenville's description is the more valuable, as he has been at pains to obtain in each case the most recent information. Have these progressive taxes caused accumulation to stop short, as objectors have predicted? No; for the simple reason that after a certain point the *progress* in the tax ceases; it becomes for very large fortunes simply proportional. No doubt there exists the danger that a tax of this sort will continually be made more progressive, and that the rich will be driven out of the canton. But the danger has been foreseen, and so far appears to have been fairly well avoided.

The specimens which we have indicated may suffice to show how valuable are the materials which M. de Cérenville has collected and arranged. He has given to the financiers of other countries an excellent opportunity of acting on his motto, *Compare and Improve*.

F. Y. EDGEWORTH

La Riforma delle Leggi sui Tributi Locali. By Professor C. A. CONIGLIANI. (Modena: 1898. 8vo, pp. 751.)

It is indisputable that problems of local taxation and finance have been rapidly coming to the front both in theoretical discussion and in the minds of those engaged in the work of legislation and practical administration. Most of the leading countries of the world have either—as in Prussia—reformed their system of local finance, or—as in Great Britain and Italy—are considering what reforms are required. Where the total pressure of public burdens is almost too heavy to be endured the need for amendment is greatest; and this, unfortunately, seems to be the actual position in Italy. Hence the appearance of a number of special studies dealing with the most prominent evils, and suggesting many expedients for improvement in existing arrangements respecting local taxation. Amongst these Professor Conigliani's elaborate work is the most important. An unduly critical reader might, perhaps, complain that a little more condensation of the various discussions, together with the omission of matter easily obtainable elsewhere, would diminish the labour of studying the work and

increase its utility; but it is only necessary to remember the ponderous and undigested mass of material that an English Blue-book contains, in order to feel that the logical grouping and careful summaries—not to speak of the clear type and good paper—of our author's treatise are something for which to feel grateful.

The book is divided into four parts. In the first a general survey of local government administration is given. Special attention is directed towards the expenditure of the communes and the variations of its amount during the last fifteen years. Professor Conigliani maintains that under modern conditions some large classes of local expenditure will necessarily increase, so that a feeling of rigid retrenchment by itself cannot suffice. The true remedies are rather the promotion of productive power and a fairer distribution of the charges which cannot be taken as fixed.

A second part treats of the effect of the legislation in force respecting local taxation, and criticises its weak points in no sparing manner. The prime source of evil is declared to lie in the restraints imposed on the action of the communes in the interest of the finances of the central government, which date in their first form from 1866, but have been much developed in later years. The method of raising local revenue by additions to the State taxes (similar to the French *centimes additionels*) has gradually become a principal, instead of a subsidiary, form of receipt. When we remember that the bases of assessment are of a very unsatisfactory kind, it is plain that the system must produce an unjust distribution of the burden. The taxation of moveable wealth and personal receipts is also extremely defective. In the latter case especially the tax burden does not even approximate to the net revenue received. Finally, the taxation of commodities through the *octrois*, though in Professor Conigliani's opinion a necessary part of local revenue, has, he thinks, been pushed to extremes. No due distinction has been made between the case of rural districts and that of large towns, where fiscal barriers can be maintained with comparative ease. Certain conclusions emerge from the criticism of the existing institutions, of which the most important are: (1) that direct local taxation should, in the main, be "real" (i.e., imposed on objects) rather than "personal," and (2) that it should fall on moveable as well as immoveable wealth. The replacement of *octrois* in the smaller communes by a tax on the production of wine and the sale of meat is also recommended.

From criticism leading up to results obtained by induction, the author passes in his third part to the consideration of the general principles that must underlie any sound financial system. These may be grouped under three heads, viz.: (1) the establishment of proper relations between the central and local authorities, (2) the just distribution of the burdens of local taxation, and (3) the adoption of those forms of taxation that are fittest for local purposes. Under the first head Professor Conigliani pronounces an emphatic judgment

against the method of grants from the State to the communes. A subvention for a special purpose may be sometimes admissible, but the system of State contributions injures the very basis of local financial institutions. Nor is mere limitation on the amount of taxation advisable; the true policy is rather to assign to the communes their proper sphere of duties, and give them control over the appropriate forms of taxation. In trying to secure justice the difficult problem of avoiding double taxation has to be faced. May not an individual be temporarily resident in one commune, have his domicile in a second, and own land or other productive property in a third one? The practical solution proposed by our author is to select the last as the principal base of taxation, but to supplement this form of revenue by a charge on residents in the case of large towns, with a further tax on persons domiciled in them (pp. 390-1). A somewhat elaborate discussion of the principles of "benefit" and "ability" results in the trite conclusion that both are in some degree applicable, and hence that local taxation should be framed in part on each of those bases. Thus we are brought back by a new route to the proposals already set forth in the second part, and their explanation and defence occupies a chapter of more than 160 pages, in which most of the fundamental problems of taxation are discussed with acuteness, though the author often fails to convince us.

A final part describes the practical aspects of the reforms suggested, and contains a particularly interesting section on city finance, advocating, *inter alia*, moderate taxation of the "unearned increment," and an extension of the area for *octroi* purposes.

One general criticism which Professor Conigliani's learned and ingenious work suggests is his comparative neglect of the important principles of simplicity and freedom, in order to secure what he regards as the greater ends of symmetry and justice. There may be special reasons which make the retention of *octrois* necessary, but we cannot believe that the advantage of lightly taxing some persons who would otherwise escape is worth the cost, trouble, and discontent that such a form of impost must always cause. The use of income-taxation for local purposes is open to a like objection, and the same might be said even of the taxation of moveable wealth. As Professor Conigliani himself well remarks, "logic and sentiment cannot be the only factors in the rational construction of a tax system" (p. 232). He allows a place for the influence of fiscal needs. General convenience is, however, a still more important consideration, which must weigh heavily against the most perfect and systematic arrangement if it runs counter to it. But whatever doubts may be felt as to the particular amendments proposed, there can be none as to the pressing need of reform in the Italian system, nor as to the vigour and ability of Professor Conigliani's criticisms and theoretic observations.

C. F. BASTABLE