

**QUESTIONS OF THE DAY.
NO. XXXIX.
FEDERAL TAXES
AND STATE EXPENSES**

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Questions of the Day. No. XXXIX. Federal Taxes and State Expenses by William H. Jones

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WILLIAM H. JONES

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FEDERAL TAXES AND STATE EXPENSES

OR

THE DECAY OF SEPARATE STATE POWER OF EXCISE UNDER
THE FEDERAL CONSTITUTION, AND THE COMPENSATION
THEREIN PROVIDED FOR IT; AND THE RELATION OF
THE GENERAL CIVIL ADMINISTRATION UNDER
SEPARATE STATE AUTHORITY, TO "THE
GENERAL WELFARE OF THE UNITED
STATES" UNDER THE FEDERAL
AUTONOMY

By WILLIAM H. JONES

And now I will unclasp a secret book,
And to your quick-conceiving discontents
I'll read you matter deep and dangerous;
As full of peril and advent'rous spirits,
As to o'erwalk a current, roaring flood,
On the unsteadfast footing of a spear.
O! the blood more stirs,
To rouse a lion, than to start a hare.
—First part of KING HENRY IV.,
Act I., Sc. III.

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PREFACE.

When the investigations which have resulted in the little volume now submitted to the public were begun by the author in 1882, he had no idea of reaching as their result the conclusions stated in the twelfth chapter. Having been mainly influenced in the beginning of his work by the high rate of State taxes on property valuations for State and local expenses of the civil administration, his efforts were long directed to the vain attempt to secure a remedy for the difficulty by harmonizing State and Federal coöperation over the subjects of State taxation. This course at first seemed the only one that could afford ground for hope of lessening State taxes on property valuations, under existing theories of the Federal Constitution and the long-established practice in all the several States concerning these theories; and traces of these views will be found

in some parts of the volume, where they have been purposely left as marking the course of investigation rather than as expressing conclusions. When, however, the author had more fully realized the difficulties in the way of *concurrent exercise* of State and Federal powers of excise taxation over subjects to which each had equal constitutional right, he was constrained to make the distinction between the *subjects*, and *purposes* for which the power of taxation is to be exercised; and to make for the first time (as he believes) the distinction that *while the power of excise taxation is concurrent in the Federal and State governments over all subjects of it, the exercise of this power is as separate and exclusive in the one or the other as to the purposes it is to be exercised for*, as any other power with which either is invested under the Federal Constitution. In brief, the power of excise may be stated as concurrent as to *subjects*, but separate and exclusive as to *purposes*.

WILLIAM H. JONES.

FORT WAYNE, INDIANA,
January 27, 1887.

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