never-ending and rarely successful effort to deal with crime perceived primarily as a product of poverty and ethnic readjustment rather than the logical consequence of societal injustice. It may be premature to call a book a classic at the moment it is published, but I am willing to take that chance. Marietta's book will astonish scholars both with its interpretation and the depth of research that supports it. It is as definitive as any work of human scholarship could possibly be.

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Andrew M. Schocket. *Founding Corporate Power in Early National Philadelphia.* (DeKalb, IL: Northern Illinois University Press, 2007. Pp. vii, 274, $42.00.)

Andrew Schocket has noted that Alexis de Tocqueville's infatuation with the power and vitality of the new democratic institutions of the United States in the early 1830s, blinded him to the emergence of an equally vital new economic power, the public corporation. Tocqueville saw the traditional political and economic elite of the colonial period as marginalized and resentful of their banishment from the political scene. Schocket demonstrates that, far from being impotent, the old Philadelphia Quaker commercial and social elite, invigorated by the addition of successful entrepreneurs, developed a new style of urban leadership that enabled them to continue directing much of the development of both Philadelphia and Pennsylvania. This elite saw itself as a natural aristocracy blessed with the talent and vision lacking in the contentious members of the state legislature. These leaders attempted to solve difficult problems and economic needs that "the state was unwilling to fulfill," simultaneously enriching both the commonwealth and themselves. To avoid interference by democratic governments which they viewed as given to irrational excesses, inefficiencies, and hostility towards the free market, this elite "imported a British institution, the corporation, and used it to build a base of power from which to formulate and enact economic policies more to their likings than to those of state legislatures."

Advocates of the chartered public corporation believed that such an institution would allow them to guide economic growth and thus integrate the disparate communities of a state divided by geographic, religious, and class differences. Opponents charged that granting such charters would give corporations undue economic privilege and would undermine the concept of equality that was the basis of national governance. Schocket contends that corporation advocates overcame the objections of the opposition by convincing them that institutions such as canal companies and state banks would work for the common good and overcome otherwise insurmountable economic problems while enriching the state treasury, all without cost to the commonwealth.

Banks were chartered by the legislature in order to provide a reliable money supply, to answer the need for credit necessary for economic growth, and to give the state government access to large loans on short notice. In return for bank charters, the legislature demanded partial ownership by the state and seats on the governing boards, which enabled it to skim revenues from the profits of the banks. From 1796 to 1825 banks provided the state with as much as 50% of its revenue. In return for these concessions the banks received limited liability, restrictions on competition, and the right to print paper money acceptable as legal tender. The boards of the banks were dominated by a wealthy elite distrustful of legislative interference who went out of their way to exclude legislative representatives from active participation in banking decisions. Thus they gained state approval without the bother of state oversight and were able to use their banks to direct economic growth in the state while extending their own fortunes.

Public good and private gain were also united in the corporations that were given authority to create state transportation systems. While the legislature was very supportive of transportation projects they relied on private corporations to carry out the construction and assume most of the risk, supplying cash for turnpikes and canals only to augment private investment. Entrepreneurs, who saw profit in delivering anthracite coal to fuel starved Philadelphia, built both the Schuylkill Navigation Company and the Lehigh Coal and Navigation Company. While the completion of these canals increased the political and economic power of their investors, it also brought long-term benefits to the region. Regional integration was achieved as the Schuylkill River Valley was opened up to development and tied economically to Philadelphia. No longer isolated from markets, the residents of the valley prospered, sent raw materials and goods downstream and received manufactured goods in return. With a guaranteed source of fuel and access to interior markets Philadelphia was transformed from a market oriented city facing the Atlantic world, into a manufacturing based city producing for the state and the country.

Schocket points out that there were public as well as private corporations in which the Philadelphia elite exercised authority. Philadelphia was awarded a corporate charter in 1789 that gave it broad governance powers including the power to raise capital. Unlike the private corporations of the period, the city corporation was answerable to the voters. However, the creation of a sinking fund to pay off city bonds assured potential investors that their investment was safe and gave the city governors the ability to sell bonds for controversial projects without risking being thwarted by a skeptical electorate. Bonds were sold in this way to raise money for the construction of a city water system. By the end of the eighteenth century disease and pollution had made it imperative that the city find a source of pure water for its citizens. Neither the city councils nor the taxpayers were willing to pay the huge cost of constructing such a system, the first built in a major American city. The Watering Committee in charge of the project became a semi-autonomous government within a government with a budget that absorbed almost fifty percent of the city's budget from 1799 to 1825. The water works was the creation of a civic minded elite whose vision could never have been achieved had the decision to fund it been left to the electorate. The public benefit of this unique project was amply demonstrated during the 1832 cholera epidemic when, thanks to the availability of pure water, Philadelphia suffered a death rate one quarter that of New York City.

Schocket has marshaled a varied and extensive collection of primary sources to demonstrate the basis of this elite's vitality and continued grasp of power. Particularly impressive is his ability to balance the positive achievements of the corporate leaders of Philadelphia with less flattering assessments of the negative impact that their pursuit of economic dominance had upon the lives of others. Schocket's book is political and economic history at its best; a well-written, lively, thoughtful, and thought provoking work which greatly expands our understanding of the reasons for the endurance of the elite of Philadelphia in an era that saw the radical transformation of their world.

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