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Sketches Of The History Of Man

In Two Volumes

Home, Henry Edinburgh, 1774

Sketch VIII. Finances.

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complete victory:

on his rival, he made ready for bartle SKETCH VIII.

tword against an uncle, whom he was

FINANCES.

PREFACE.

IN the following flight effay, intended for novices only, it is my fole ambition to rival certain pains-taking authors, who teach history in the perspicuous mode of question and answer. Among novices, it would be unpardonable to rank fuch of my fellow-citizens, as are ambitious of a feat in parliament; many of whom facrifice the inheritance of their ancestors, for an opportunity to exert their patriotism in that august assembly. Can such a sacrifice permit me to doubt, of their being adepts in the mysteries of government, and of taxes in particular? they ought at least to be initiated in these mysteries.

It is of importance, that taxes, and their effects, be understood, not only by the members of our parliament, but also by their electors: a representative will not readily vote for a destructive tax, when he cannot hope to disguise his conduct. The intention of the present sketch, is to unfold the principles upon which taxes ought to be founded, and to point out what are beneficial, what noxious. I have endeavoured to introduce some light into a subject involved in Egyptian darkness; and if that end be attained, I shall die in the faith, that I have not been an unprofitable servant to my country.

FINANCES.

FINANCES.

His subject consists of many parts, not a little intricate. A proper distribution will tend to perspicuity; and I think it may be fitly divided into the following sections. 1st, General considerations on taxes. 2d, Power of imposing taxes. 3d, Different forts of taxes, with their advantages and disadvantages. 4th, Manner of levying taxes. 5th, Rules to be observed in taxing. 6th, Examination of British taxes. 7th, Regulations for advancing industry and commerce.

SECTION I.

GENERAL CONSIDERATIONS on TAXES.

As opulence is not friendly to study and knowledge, the men best qualified for being generals, admirals, judges, or ministers of state, are seldom opulent; and to make such men serve without pay, would be in essect to ease the rich at the expence of the poor. With respect to the military branch in particular, the bulk of those who compose an army, if withdrawn from daily labour, must starve, unless the public, which they serve, afford them maintenance. A republican government, during peace, may indeed be supported at a very small charge among a temperate and patriotic people.

people. In a monarchy, a public fund is indifpenfable, even during peace: and in war it is indifpenfable, whatever be the government. The Spartans carried all before them in Greece, but were forc'd to quit their hold, having no fund for a standing army; and the other Greek states were obliged to confederate with the Athenians, who after the Persian war became masters at sea. A defect so obvious in the Spartan government, did affuredly not escape Lycurgus, the most profound of all legislators. Foreseeing that conquest would be destructive to his countrymen, his sole purpose was to guard them from being conquered; which in Sparta required no public fund, as all the citizens were equal, and equally bound to defend themselves and their country. A state, it is true, without a public fund, is ill qualified to oppose a standing army, regularly disciplined, and regularly paid. But in political matters, experience is our only fure guide; and the history of nations, at that early period, was too barren to afford inftruction. Lycurgus may well be excused, considering how little progress political knowledge had made in a much later period. Charles VII. of France was the first in modern times who established a fund for a standing army. Against that dangerous innovation, the crown-vassals had no refource but to imitate their fovereign; and yet, without even dreaming of a refource, they fuffered themselves to be undermined. and at last overturned, by the King their superior. Thus, on the one hand, a nation, however warlike, that has not a public fund, is no match for a standing army enured to war. Extensive commerce, on the other hand, enables a nation to support a standing army; but, by introducing luxury, it eradicates manhood, and renders that army an unfit match for any poor and warlike invader. Hard may feem the fate of nations, laid thus open to destruction from every quarter. All that can be faid is, that the Deity never intended to stamp immortality upon any production of man.

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The stability of land fits it, above all other subjects, for a public patrimony. But as crown-lands lie open to the rapacity of favourites, it becomes necessary, when these are dissipated, to introduce taxes; which have the following properties; that they unite in one common interest the sovereign and his subjects, and that they can be augmented or diminished according to exigencies.

The art of levying money by taxes was fo little understood in the fixteenth century, that after the famous battle of Pavia, in which the French King was made prisoner, Charles V. was obliged to disband his victorious army, the confisting but of 24,000 men, because he had not the art to levy, in his extensive dominions, the sum that was necessary to keep it on foot. So little knowledge was there in England of political arithmetic in the days of Edward III. that L. 1: 2: 4 on each parish was computed to be sufficient for raising a subsidy of L. 50,000. It being found, that there were but 8700 parishes, exclusive of Wales, the parliament, in order to raise the said subsidy, affested on each parish L. 5, 16 s.

In imposing taxes, ought not the expence of living to be deducted, leaving the remainder of a man's stock as the only taxable subject? This method was adopted in the state of Athens. A rent of 500 measures of corn, burdened the landlord with the yearly contribution of a talent: a rent of 300, burdened him with half a talent: a rent of 200, burdened him with the sixth part of a talent; and land under that rent paid no tax. Here the tax was not in proportion to the estate, but to what could be spared out of it; or, in other words, in proportion to the ability of the proprietor. At the same time, ability must not be estimated by what a man actually saves, which would exempt the profuse and profligate from paying taxes, but by what a man can pay who lives with economy according to his rank. This rule is founded on the very nature of government: to tax a man's food, or the subject that af-

fords him bare necessaries, is worse than the denying him protection: it starves him. Hence the following proposition may be laid down as the corner-stone of taxation-building, "That every man ought "to contribute to the public revenue, not in proportion to his "fubstance, but to his ability." I am forry to observe, that this rule is little regarded in British taxes; tho nothing would contribute more to sweeten the minds of the people, and to make them fond of their government, than a regulation fraught with so much equity.

Taxes were long in use before it was discovered, that they could be made fubfervient to other purpofes, befide that of fupporting government. In the fifteenth century, the states of Burgundy rejected with indignation a demand made by the Duke of a duty on falt, tho' they found no other objection, but that it would oppress the poor people, who lived mostly on falt meat and falt fish. It did not occur to them, that fuch a tax might hurt their manufactures, by raifing the price of labour. A tax of two shillings on every hearth, known by the name of hearth-money, was granted to Charles II. his heirs and fuccessors, for ever. It was abrogated by an act of William and Mary, ann. 1688, on the following preamble, " That it is not only a great oppression upon the " poorer fort, but a badge of flavery upon the whole people, ex-" pofing every man's house to be entered into and searched at " pleafure by persons unknown to him." Had the harm done by fuch a tax to our manufactures been at that time understood, it would have been urged as the capital reason against the tax. Our late improvements in commercial politics have unfolded an important doctrine, That taxes are feldom indifferent to the public good; that frequently they are more oppressive to the people, than beneficial to the fovereign; and, on the other hand, that they may be fo contrived, as to rival bounties in promoting industry, manufactures, and commerce. These different effects of taxes, have rendered the subject not a little intricate.

It is an article of importance in government, to have it afcertained, what proportion of the annual income of a nation may be drawn from the people by taxes, without impoverishing them. An eighth part is held to be too much: husbandry, commerce, and population, would suffer. Davenant says, that the Dutch pay to the public annually the fourth part of the income of their country; and he adds, that their strict economy enables them to bear that immense load, without raising the price of labour so high as to cut them out of the foreign market. It was probably so in the days of Davenant; but of late matters are much altered: the dearness of living and of labour, has excluded all the Dutch manufactures from the foreign market. Till the French war in King William's reign, England paid in taxes but about a twentieth part of its annual income.

S E C T. II.

POWER of IMPOSING TAXES.

That to impose taxes belongs to the sovereign, and to him only, is undoubted. But it has been doubted, whether even King and parliament, who possess the sovereign authority in Britain, can legally impose a tax without consent of the people. The celebrated Locke, in his essay on government (a), lays down the following proposition as fundamental. "Tis true, governments

" cannot



⁽a) Chap. 11. § 140.

" cannot be supported without great charge, and 'tis fit every one " who enjoys his fhare of protection should pay out of his estate " his proportion for the maintenance of it. But still it must be " with his own consent, i. e. the consent of the majority, giving " it either by themselves, or their representatives chosen by them; " for if any one shall claim a power to lay and levy taxes on the " people by his own authority, and without fuch confent of the " people, he thereby invades the fundamental law of property, " and fubverts the end of government. For what property have " I in that which another may by right take when he pleafes to " himfelf?" No author has reflected more honour on his native country, and on mankind, than Mr Locke. Yet no name is above truth; and I am obliged to observe, tho' with regret, that in the foregoing reafoning the right of imposing taxes is laid upon a very crazy foundation. It may indeed be faid with fome colour, that the freeholders virtually impower their representatives to tax them. But their vaffals and tenants, who have no vote in electing members of parliament, empower none to tax them: yet they are taxed like others; and fo are the vaffals and tenants of peers. Add to thefe an immense number of artisans, manufacturers, day-labourers, domestics, &c. &c. with the whole female fex; and it will appear on calculation, that those who are represented in parliament make not the hundredth part of the taxable people. But further, it is acknowledged by our author, that the majority of the Lords and Commons must bind the minority. This circumstance alone might have convinced him of his error: for furely the minority in this case are bound without their consent; nay, against their confent. That a state cannot tax its subjects without their confent, is a rash proposition, totally subversive of government. Locke himself has suggested the folid foundation of taxes, tho', inadvertently he lays no weight on it. I borrow his own words: " That every one who enjoys his fhare of protection, should pay " out

" out of his estate his proportion for the maintenance of the go-" vernment." The duties of fovereign and of fubject are reciprocal; and common justice requires, that a subject, or any perfon who is protected by a government, ought to pay for that protection. Similar inftances without number of fuch reciprocal duties, occur in the laws of every civilized nation. A man calls for meat and drink in a tavern: is he not bound to pay the bill, tho' he made no agreement beforehand? A man is wafted over a river in a ferry-boat: must he not pay the common fare, though he made no promise? Nay, it is every man's interest to pay for protection: government cannot fubfift without a public fund; and what will become of individuals when no longer protected, either in their perfons or goods? Thus taxes are implied in the very nature of government; and the interpolition of fovereign authority is only necessary for determining the expediency of a tax; and the quota, if found expedient.

Many writers, misled by the respectable authority of Locke, boldly maintain, that a British parliament cannot legally tax the American colonies, who are not represented in parliament. This proposition, which has drawn the attention of the public of late years, has led me to be more explicit on the power of imposing taxes, than otherwife would be necessary. Those who favour the independence of our colonies urge, " That a man ought to have " the disposal of what he acquires by honest industry, subject to " no control: whence the necessity of a parliament for imposing " taxes, where every individual is either perfonally prefent, or by " a representative of his own election. The aid accordingly given " to a British fovereign is not a tribute, but a free and voluntary " gift." What is faid above will bring the difpute within a very narrow compass. If our colonists be British subjects, which hitherto has not been controverted, they are fubjected to the British legislature in every article of government; and as from the begin-

ning

ning they have been protected by Britain, they ought like other fubjects to pay for that protection. There never was a time less favourable to their claim of freedom from taxes, than the close of the late war with France. Had not Britain seasonably interposed, they would have been swallow'd up by France, and become slaves to despotism.

If it be questioned, By what acts is a man understood to claim protection of a government; I answer, By setting his foot on the territory. If, upon landing at Dover, a foreigner be robbed, the law interposes for him as for a native. And as he is thus protected, he pays for protection when he purchases a pair of shoes, or a bottle of beer. The case is clear with respect to a man who can chuse the place of his residence. But what shall be said of children, who are not capable of choice, nor of consent? They are protected; and protection implies the reciprocal duty of paying taxes. As soon as a young man is capable of acting for himself, he is at liberty to chuse other protectors, if those who have hitherto protected him be not agreeable.

If a legal power to impose taxes without consent of the people, did necessarily imply a legal power to impose taxes at pleasure, without limitation, Locke's argument would be invincible, in a country of freedom at least. A power to impose taxes at pleasure, would indeed be an invasion of the fundamental law of property; because, under pretext of taxing, it would subject every man's property to the arbitrary will of the sovereign. But the argument has no weight, where the sovereign's power is limited. The reciprocal duties between sovereign and subject imply, that the people ought to contribute what sums are necessary for the support of government, and that the sovereign ought not to demand more. It is true, that there is no regular check against him, when he transgresses his duty in this particular: but there is an effectual check in the nature of every government that is not legally despotic, viz. a ge-

neral concert among all ranks, to vindicate their liberty against a course of violence and oppression; and multiplied acts of that kind have more than once brought about such a concert.

As every member of the body-politic is under protection of the government, every one of them, as observed above, ought to pay for being protected; and yet this proposition has been controverted by an author of fome note (a); who maintains, "That the " food and raiment furnished to the fociety by husbandmen and " manufacturers, are all that these good people are bound to con-" tribute: and supposing them bound to contribute more, it is " not till others have done as much for the public." At that rate, lawyers and phyficians ought also to be exempted from contributing; especially those who draw the greatest sums, because they are supposed to do the most good. That argument, the suggestion of a benevolent heart, is however no proof of an enlightened understanding. The labours of the farmer, of the lawyer, of the physician, contribute not a mite to the public fund, nor tend to defray the expence of government. The luxurious proprietor of a great effate has a still better title to be exempted than the hulbandman, because he is a great benefactor to the public, by giving bread to a variety of industrious people. In a word, every man ought to contribute for being protected; and if a hufbandman be protected in working for himfelf one-and-fifty weeks yearly, he ought thankfully to work one week more, for defraying the expence of that protection.

(a) L'ami des hommes.

SECT.



S E C T. III.

DIFFERENT SORTS OF TAXES, with their Advantages and Difadvantages.

A LL taxes are laid upon persons; but in different respects: a tax laid on a man perfonally, for himfelf and family, is termed a capitation-tax; a tax laid on him for his property, is termed a tax on goods. The latter is the only rational tax, because it may be proportioned to the ability of the proprietor. It has only one inconvenience, that his debts must be overlooked; because to take these into the account, would lead to endless intricacies. But there is an obvious remedy for that inconvenience: let the man who complains, get quit of his debts, by felling land or moveables; which will fo far relieve him of the tax. Nor ought this measure to be considered as a hardship: it is seldom the interest of a landholder to be in debt; and with respect to the public, the measure not only promotes the circulation of property, but is favourable to creditors, by procuring them payment. A capitation-tax goes upon an erroneous principle, as if all men were of equal ability. What prompts it is, that many men, rich in bonds and other moveables that can be eafily hid from public inspection, cannot be reached otherwise than by a capitation-tax. But as, by the very fupposition, such men cannot be distinguished from the mass of the people, that mode of taxing, as miserably unequal, is rarely practifed among enlightened nations. Some years ago, a capitation-tax was imposed in Denmark, obliging even day-labourers to pay for their wives and children. Upon the fame VOL. I.

fame abfurd plan, a tax was imposed on marriage. One would be tempted to think, that population was intended to be discouraged. The Danish government, however, have been sensible of the impropriety of such taxes; for a tax imposed on those who obtain titles of honour from the crown, is applied for relieving husbandmen of their capitation-tax. But a tax of this kind lies open to many other objections. It cannot fail to raise the price of labour, a poisonous effect in a country of industry; for the labourer will relieve himself of the tax, by heightening his wages: more prudent it would be to lay the tax directly on the employer, which would remove the pretext for heightening wages. The taxing of day-labourers has beside an effect contrary to what is intended: instead of increasing the public revenue, it virtually leffens it, by raising the pay of soldiers, sailors, and of every workman employ'd by government.

Taxes upon goods are of two kinds, viz. upon things confumable, and upon things not confumable. I begin with the latter. The land-tax in Britain, paid by the proprietor according to an invariable rule, and levied with very little expence, is of all taxes the most just, and the most effectual. The proprietor, knowing beforehand the fum he is fubjected to, prepares accordingly: and as each proprietor contributes in proportion to his estate, the tax makes no variation in their relative opulence. The only improvement it is fusceptible of, is the Athenian regulation, of exempting fmall estates that are no more than fufficient to afford bread to the frugal proprietor. In France, the land-tax feems to have been established on a very false foundation, viz. That the clergy perform their duty to the state, by praying and instructing; that the noblesse fight for the state; and consequently, that the only duty left to the farmer, is to defray the charges of government. This argument would hold, if the clergy were not paid for praying, and the nobleffe for fighting. Such a load upon the poorest mem-

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bers of the state, is an absurdity in politics. And to render it still more abfurd, the tax on the farmer is not imposed by an invariable rule: every one is taxed in proportion to his apparent circumstances, which in effect is to tax industry. Nor is this all. Under pretext of preventing famine, the exporting of corn, even from province to province, is frequently interrupted; by which it happens, that the corn of a plentiful year is destroyed by insects, and in a year of fcarcity is engroffed by merchants. Suppose a plan were requested for discouraging agriculture, here is one actually put in execution, the fuccess of which is infallible. "Were it related," observes a French writer, " in some foreign history, that there is " a country extremely fertile, in a fine climate, enjoying navi-" gable rivers, with every advantage for the commerce of corn; " and yet that the product is not fufficient for the inhabitants: " would not one conclude the people to be stupid and barbarous? "This however is the case of France." He adds the true reason, which is, the discouragement husbandry lies under by oppressive taxes. We have Diodorus Siculus for our authority, that the husbandman was greatly respected in Hindostan. Among other nations, fays he, the land during war lies untilled; but in Hindoftan, hufbandmen are facred, and no foldier ventures to lay a hand on them. They are confidered as fervants of the public, who cannot be difpenfed with.

It is a gross error to maintain, that a tax on land is the same with a tax on the product of land. The former, which is the English mode, is no discouragement to industry and improvements: on the contrary, the higher the value of land is raifed, the lefs will the tax be in proportion. The latter, which is the French mode, is a great discouragement to industry and improvements; because the more a man improves, the deeper he is taxed. The tenth part of the product of land, is the only tax that is paid in China. This tax, of the fame nature with our tithes paid to the

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clergy,

clergy, yields to the British mode of taxing the land itself, and not its product; but is less exceptionable than the land-tax in France, because it is not arbitrary. The Chinese tax, paid in kind, is stored in magazines, and sold from time to time for maintaining the magistrates and the army, the surplus being remitted to the treasury. In case of famine, it is sold to the poor people at a moderate price. In Tonquin, there is a land-tax, which, like that in France, is laid upon the peasants, exempting people of condition, and the literati in particular. Many grounds that bear not corn, contribute hay for the king's elephants and cavalry; which the poor peasants are obliged to carry to the capital, even from the greatest distance; a regulation no less slavish than impolitic.

The window-tax, the coach-tax, and the plate-tax, come under the prefent head, being taxes upon things not confumable. In Holland there is a tax on domestic fervants, which deferves well to be imitated. Vanity in Britain, and love of show, have multiplied domestics, far beyond necessity, and even beyond convenience. A number of idlers collected in a luxurious family, become vitious and debauched; and many ufeful hands are withdrawn from hufbandry and manufactures. In order that the tax may reach none but the vain and splendid, those who have but one fervant pay nothing: two domestics subject the master to five shillings for each, three to ten shillings for each, four to twenty shillings, five to forty shillings, and so on in a geometrical progreffion. In Denmark, a farmer is taxed for every plough he uses. If the tax be intended for discouraging extensive farms, it is a happy contrivance, agreeable to found politics; for fmall farms tend not only to population, but to rear a temperate and robust species of men, fit for every fort of labour.

Next of taxes upon things confumable. The taxes that appear the leaft oppressive, because disguised, are what are laid on our manufactures: manufactures: the tax is advanced by the manufacturer, and drawn from the purchaser as part of the price. In Rome a tax was laid upon every man who purchased a slave. It is reported by fome authors, that the tax was remitted by the Emperor Nero; and yet no alteration was made, but to oblige the vender to advance the tax. Hear Tacitus on that fubject (a). " Vectigal " quintæ et vicesimæ venalium mancipiorum remissum, specie " magis quam vi; quia cum venditor pendere juberetur, in par-" tem pretii emptoribus accrefcebat *." Thus, with respect to our taxes on foap, shoes, candles, and other things confumable, the purchaser thinks he is only paying the price, and never dreams that he is paying a tax. To fupport the illusion, the duty ought to be moderate: to impose a tax twenty times the value of the commodity, as is done in France with respect to falt, raises more difgust in the people as an attempt to deceive them, than when laid on without difguise. Such exorbitant taxes, which are paid with the utmost reluctance, cannot be made effectual but by fevere penalties, equal to what are inflicted on the most atrocious criminals; which has a bad effect with refpect to morals, as it tends to lessen the horror one naturally conceives at great crimes.

Such taxes are attended with another fignal advantage: they bear a strict proportion to the ability of the contributors, the opulent being commonly the greatest consumers. The taxes on coaches and on plate are paid by men of fortune, without loading the industrious poor; and on that account are highly to be

praised:

^{* &}quot;The tax of a twenty-fifth upon flaves to be fold, was remitted more in ap"pearance than in reality; because when the feller was ordered to pay it, he laid
"it upon the price to the buyer."

⁽a) Annal, lib. 13.

praised: being imposed however without disguise, they are paid with more reluctance by the rich, than taxes on consumption are by the poor.

I add one other advantage of taxes on confumption. They are finely contrived to connect the interest of the sovereign with that of his subjects; for his profit arises from their prosperity.

Such are the advantages of a tax on confumption; but it must not be praised, as attended with no inconvenience. The retailer, under pretext of the tax, raises the price higher than barely to indemnify himself; by which means the tax is commonly doubled upon the consumer. The inconvenience however is but temporary. "Such extortion," says Davenant, "cannot last "long; for every commodity in common use finds in the mar"ket its true value and price."

There is another inconvenience much more diffreffing, because it admits not a remedy, and because it affects the state itself. Taxes on confumption, being commonly laid on things of the greatest use, raise a great sum to the public, without much burdening individuals; the duty on coal, for example, on candle, on leather, on foap, on falt, on malt, and on malt-liquor. These duties however carry in their bosom a slow poison, by raising the price of labour and of manufactures. De Wit observes, that the Dutch taxes upon confumption have raifed the price of their broad cloth forty per cent.; and our manufactures by the same means are raised at least thirty per cent. Britain has long laboured under this chronical distemper, which, by excluding her from foreign markets, will not only put an end to her own manufactures, but will open a wide door to the foreign, as fmuggling cannot be prevented where commodities imported are much cheaper than our own.

Nor ought it to be overlooked, that taxes on confumption are not equally proper in every fituation. They are proper in a populous lous country, like Holland; because the expence of collecting is but a trifle, compared with the sums collected. But in a country thinly peopled, such taxes are improper; because the expence of collecting makes too great a proportion of the sums collected: in the highlands of Scotland, the excise on ale and spirits desrays not the expence of levying; the people are burdened, and the government is not supported.

A lottery is a fort of tax different from any that have been mentioned. It is a tax, of all the most agreeable, being entirely voluntary. An appetite for gaming, inherent even in savages, prompts multitudes to venture their money in hopes of the highest prize; tho' they cannot altogether hide from themselves the inequality of the play. But lucky it is, that the selfish passions of men can be made subservient to the public good. Lotteries however produce one unhappy effect: they blunt the edge of industry, by directing the attention to a more compendious method of gain. At the same time, the money acquired by a lottery, seldom turns to account; for what comes without trouble, goes commonly without thought.

S E C T. IV.

MANNER OF LEVYING TAXES.

To avoid the rapacity of farmers, a mild government will, in most cases, prefer management; i. e. it will levy taxes by officers appointed for that purpose. Montesquieu (a) has handled that point with his usual sprightly elegance.

Importation-

⁽a) L'Esprit des loix, liv. 13. ch. 19.

Importation-duties are commonly laid upon the importer before the cargo is landed, leaving him to add the duty to the price of the goods; and the facility of levying, is the motive for preferring that method. But is it not hard, that the importer should be obliged to advance a great fum in name of duty, before drawing a shilling by the fale of his goods? It is not only hard, but grossly unjust: for if the goods perish without being fold, the duty is loft to the importer; he has no claim against the public for restitution. This has more the air of despotism than of a free government. Would it not be more equitable, that the goods should be lodged in a public warehouse, under custody of revenue-officers, the importer paying the duty as goods are fold? According to the prefent method, the duty remains with the collector three years, in order to be repaid to the importer, if the goods be exported within that time: but by the method proposed, the duty would be paid to the treafury as goods are fold, which might be within a month from the time of importation, perhaps a week; and the treafury would profit, as well as the fair trader. There are public warehouses adjoining to the customhouse of Bourdeaux, where the fugars of the French colonies are deposited, till the importer finds a market; and he pays the duty gradually as fales are made. It rejoices me, that the fame method is practifed in this island with respect to some foreign articles necessary in our trade with Africa: the duty is not demanded till the goods are shipped for that continent. It is also put in practice with refpect to foreign falt, and with respect to rum imported from our fugar-colonies.

Beside the equity of what is here proposed, which relieves the importer from advance of money, and from risk, many other advantages would be derived from it. In the first place, the merchant, having no occasion to reserve any portion of his capital for answering the duty, would be enabled to commence trade with a small

fmall flock, or to encrease his trade if his flock be large: trade would flourish, and the public revenue would encrease in proportion. Secondly, It would leffen fmuggling. Many a one who commences trade with upright intention, is tempted to finuggle for want of ready money to pay the duty. Thirdly, This manner of levying the duty, would not only abridge the number of officers, but remove every pretext for claiming discount on pretence of leakage, famples, and the drying or shrinking of goods. In the present manner of levying, that discount must be left to the discretion of the officer: a private understanding is thus introduced between him and the merchant, hurtful to the revenue, and destructive to morals. Fourthly, The merchant would be enabled to lower his prices, and be forc'd to lower them by having many rivals; which at the same time would give access to augment importation-duties, without raifing the price of foreign commodities above what it is at prefent. But the capital advantage of all would be, to render in effect every port in Britain a free port, enabling English merchants, many of whom have great capitals, to outstrip foreigners in what is termed a commerce of speculation. This island is well fituated for fuch commerce; and were our ports free, the productions of all climates would be stored up in them, ready for exportation when a market offers; an excellent plan for encreasing our shipping, and for producing boundless wealth.

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SECT. V.

RULES TO BE OBSERVED in TAXING.

THE different objects of taxes, and the intricacy thereby occasioned, require general rules, not only for directing the legislature in imposing them, but for enabling others to judge what are beneficial, and what hurtful.

The first rule I shall suggest is, That where-ever there is an opportunity of smuggling, taxes ought to be moderate; for smuggling can never effectually be restrained, where the cheapness of imported goods is in effect an ensurance against the risk; in which view, Swift humorously observes, that two and two do not always make four. A duty of 15 per cent. upon printed linen imported into France, encourages smuggling: a lower duty would produce a greater sum to the public, and be more beneficial to the French manufacturer. Bone-lace imported into France is charged with a duty of 20 per cent. in order to favour that manufacture at home: but in vain; for bone-lace is easily smuggled, and the price is little higher than before. The high duty on fuccus liquoritie imported into Britain, being L. 7: 2: 6 per hundred weight, was a great encouragement to smuggling; for which reason it is reduced to 30 s. per hundred weight (a).

The fmuggling of tea, which extracts great fums from Britain, is much encouraged by its high price at home. As far as I can judge, it would be profitable, both to the public and to individuals, to lay afide the importation-duty, and to fubfitute in its

(a) 7° Geo. III. cap. 47,

bash (cond rule is, That taxes expending it

stead a duty on the consumer. Freedom of importation would enable the East-India company to fell so cheap, as effectually to banish smuggling; and the low price of tea would enable the confumer to pay a pretty finart duty, without being much out of pocket. The following mode is proposed merely as an example: it is a hint that may lead to improvements. Let every man who uses tea be subjected to a moderate tax, proportioned to his mode of living. Absolute precision cannot be expected in proportioning the tax on families; but gross inequality may eafily be prevented. For instance, let the mode of living be determined by the equipage that is kept. A coach or chaife with two horses shall subject a family to a yearly tax of L. 10, heightening the tax in proportion to the number of horses and carriages; two fervants in livery, without a carriage, to a tax of 40 s.; every other family paying 20 s. Every family where tea is used must be entered in the collector's books, with its mode of living, under a heavy penalty; which would regulate the coachtax, as well as that on tea. Such a tax, little expensive in levying, would undoubtedly be effectual: a master of a family is imprudent indeed, if he put it in the power of the vender, of a malicious neighbour, or of a menial fervant, to subject him to a heavy penalty. This tax at the fame time would be the least difagreeable of any that is levied without difguife; being in effect a voluntary tax, as the mode of living is voluntary. Nor would it be difficult to temper the tax, fo as to afford a greater fum to the public than it receives at prefent from the importation-duty, and yet to cost our people no more for tea than they pay at present, taking into computation the high price of that commodity.

High duties on importation are immoral, as well as impolitic; and it would be unjustifiable in the legislature, first to tempt, and

then to punish for yielding to the temptation.

A fecond rule is, That taxes expensive in the levying ought to be avoided;

avoided; being heavy on the people, without a proportional benefit to the revenue. Our land-tax is admirable: it affords a great fum, levied with very little expence. The duties on coaches, and on gold and filver plate, are fimilar; and fo would be the tax on tea above proposed. The taxes that are the most hurtful to trade and manufactures, such as the duty on soap, candle, leather, are expensive in levying.

A third rule is, To avoid arbitrary taxes. They are difgustful to all, not excepting those who are favourably treated; because felf-partiality feldom permits a man to think, that justice is done him in fuch matters. A tax laid on perfons in proportion to their trade, or their opulence, must be arbitrary, even where strict justice is intended; because it depends on the vague opinion or conjecture of the collector: every man thinks himfelf injured; and the fum levied does not balance the discontent it occasions. The tax laid on the French farmer in proportion to his fubstance, is an intolerable grievance, and a great engine of oppreffion: if the farmer exert any activity in meliorating his land, he is fure to be doubly taxed. Hamburgh affords the only inflance of a tax on trade and riches, that is willingly paid, and that confequently is levied without oppression. Every merchant puts privately into the public cheft, the fum that in his own opinion he ought to contribute: A fingular example of integrity in a great trading town; for there is no fuspicion of wrong in that tacit contribution. But this state is not yet corrupted by luxury.

Because many vices that poison a nation, arise from inequality of riches; I propose it as a fourth rule, to remedy that inequality as much as possible, by relieving the poor, and burdening the rich. Proprietors of overgrown estates, can bear without inconvenience very heavy taxes; and those especially who convert much land from profit to pleasure, ought not to be spared. Would it not contribute greatly to the public good, that a tax of L. 50

bluody ding against want? A tax there upon needshires

would

should be laid on every house that has 50 windows; L. 150 on houses of 100 windows; and L. 400 on houses of 200 windows? By the same principle, every deer-park of 200 acres ought to pay L. 50; of 500 acres L. 200; and of 1000 acres L. 600. Fifty acres of pleasure ground to pay L. 30; 100 such acres L. 80; 150 acres L. 200; and 200 acres L. 300. Such a tax would have another good effect: it would probably move high-minded, men to leave out more ground for maintenance of the poor, than they are commonly inclined to do.

A fifth rule of capital importance, as it regards the interest of the state in general is, That every tax which tends to impoverish the nation ought to be rejected with indignation. Such taxes contradict the very nature of government, which is to protect, not to oppress. And supposing the interest of the governing power to be only regarded, a state is not measured by the extent of its territory, but by what the subjects are able to pay annually without end. A sovereign, however regardless of his duty as father of his people, will regard that rule for his own sake: a nation impoverished by oppressive taxes, will reduce the sovereign at last to the same poverty; for he cannot levy what they cannot pay.

Whether taxes imposed on common necessaries, which fall heavy upon the labouring poor, be of the kind now mentioned, deserves the most serious consideration. Where they tend to promote industry, they are highly falutary: where they deprive us of foreign markets, by raising the price of labour, and of manufactures, they are highly noxious. In some cases, industry may be promoted by taxes, without raising the price of labour and of manufactures. Tobolski in Siberia is a populous town, the price of vivres is extremely low, and the people on that account are extremely idle. While they are masters of a farthing, they work none: when they are pinched with hunger, they gain in a day what maintains them a week: they never think of to-morrow, nor of providing against want. A tax there upon necessaries

would probably excite fome degree of industry. Such a tax, renewed from time to time, and augmented gradually, would promote industry more and more, so as to squeeze out of that lazy people three, four, or even five days labour weekly, without raifing their wages, or the price of their work. But beware of a general rule. The effect would be very different in Britain, where moderate labour, without much relaxation, is requifite for living comfortably: in every fuch case, a permanent tax upon necessaries will not fail in time to raise the price of labour. It is true, that in a fingle year of fcarcity there is commonly more labour, and even better living, than in plentiful years. But suppose scarcity to continue a number of years fuccessively, or suppose a permanent tax on necessaries, wages must rise till the labourer find comfortable living: if the employer obstinately stand out, the labourer will in defpair abandon work altogether, and commence beggar; or will retire to a country less burdened with taxes. Hence a falutary doctrine, That where expence of living equals, or nearly equals, what is gained by bodily labour, moderate taxes renewed from time to time after confiderable intervals, will promote industry, without raising the price of labour; but that permanent taxes will unavoidably raise the price of labour, and of manufactures. In Holland, the high price of provisions and of labour, occasioned by permanent taxes, have excluded from the foreign market every one of their manufactures that can be supplied by other nations. Heavy taxes have put an end to their once flourishing manufactures of wool, of filk, of gold and filver, and many others. The prices of labour and of manufactures have in England been immoderately raifed by the fame means.

To prevent a total downfall of our manufactures, several political writers have given their opinion, that the labouring poor ought to be disburdened of all taxes. The royal tithe proposed for France, instead of all other taxes, published in the name of



Marefchal Vauban, or fuch a tax laid upon land in England, might originally have produced wonders. But the expedient would now come too late, at least in England: fuch profligacy have the poor-rates produced among the lower ranks, that to relieve them from taxes, would probably make them work less, but affuredly would not make them work cheaper. It is vain therefore to think of a remedy against idleness and high wages, while the poor-rates subsist in their present form. Davenant pronounces, that the English poor-rates will in time be the bane of their manufactures. He computes, that the persons receiving alms in England amount to one million and two hundred thousand, the half of whom at least would have continued to work, had they not relied on parish-charity. But of this more at large in a separate sketch.

Were the poor-rates abolished, a general act of naturalization would not only augment the strength of Britain, by adding to the number of its people, but would compel the natives to work cheaper, and consequently to be more industrious.

If these expedients be not relished, the only one that remains for preserving our manufactures is, to encourage their exportation by a bounty, such as may enable us to cope with our rivals in foreign markets. But where is the fund for a bounty so extensive? It may be raised out of land, like the Athenian tax above mentioned, burdening great proprietors in a geometrical proportion, and freeing those who have not above L. 100 of land-rent. That tax would raise a great sum to the public, without any real loss to those who are burdened; for comparative riches would remain the same as formerly. Nay such a tax would in time prove highly beneficial to land-proprietors; for by promoting industry and commerce, it would raise the rent of land much above the contribution. Can money be laid out so advantageously at common interest? And to reconcile land-holders to the tax, may it

for France, unflead of all other taxes, published in the name of

not be thought fufficient, that, without a bounty, our foreign commerce must vanish, and land be reduced to its original low value? Can any man hesitate about paying a shilling, when it ensures him against losing a pound?

I shall close with a rule of deeper concern than all that have been mentioned, which is, To avoid taxes that require the oath of party. They are contra bonos mores, as being a temptation to perjury. Few there are fo wicked, as to hurt others by perjury: at the fame time, there are not many of the lower ranks fo upright, as to scruple much at perjury, when it prevents hurt to themfelves. Confider the duty on candle. Those only who brew for fale, pay the duty on malt-liquor; and to avoid the brewer's oath, the quantity is afcertained by officers who attend the process. But the duty on candle is oppressive, not only as comprehending poor people who make no candle for fale, but as fubjecting them to give oath on the quantity they make for their own use. Figure a poor widow, burdened with five or fix children: fhe is not permitted to make ready a little food for her infants, by the light of a rag dipped in greafe, without paying what she has not to pay, or being guilty of perjury. However upright originally, poverty and anxiety about her infants will tempt her to conceal the truth, and to deny upon oath: - a fad lesson to her poor children: ought they to be punished for copying after their mother, whom they love and revere? whatever she does appears right in their eyes. The manner of levying the falt-tax in France is indeed arbitrary; but it is not productive of immorality: an oath is avoided; and every mafter of a family pays for the quantity he is prefumed to confume. French wine is often imported into Britain as Spanish, which pays less duty. To check that fraud, the importer's oath is required; and if perjury be fuspected, a jury is fet upon him in exchequer. This is horrid: the importer is tempted by a high duty on French wine to commit perjury; for which

which he is profecuted in a fovereign court, open to all the world: he turns desperate, and loses all sense of honour. Thus customhouse oaths have become a proverb, as meriting no regard; and corruption creeping on, will become univerfal. Some goods imported pay a duty ad valorem; and to afcertain the value the importer's oath is required. In China, the books of the merchant are trusted, without an oath. Why not imitate fo laudable a practice? If our people be more corrupted, perjury may be avoided, by ordaining the merchant to deliver his goods to any who will demand them, at the rate stated in his books; with the addition of ten per cent. as a sufficient profit to himself. Oaths have been greatly multiplied in Britain fince the Revolution, without referve, and contrary to found policy. New oaths have been contrived against those who are disaffected to the government; against fictitious titles in electing parliament-members; against defrauding the revenue, &c. &c. They have been fo hackney'd, and have become fo familiar, as to be held a matter of form merely. Perjury has dwindled into a venial transgression, and is scarce held an imputation on any man's character. Lamentable indeed has been the conduct of our legislature: instead of laws for reforming or improving morals, the imprudent multiplication of oaths has not only fpread corruption through every rank, but, by annihilating the authority of an oath over conscience, has rendered it entirely useless.

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EXAMINATION OF BRITISH TAXES.

Here is no political fubject of greater importance to Britain, than the present: a whole life might be profitably bestow'd on it, and a large volume. My part is only to fuggest hints; which will occur in confidering taxes with regard to their effects. And in that view, they may be commodiously distinguished into five kinds. First, Taxes that encrease the public revenue, without producing any other effect, good or bad. Second, Taxes that encrease the public revenue; and are also beneficial to manufactures and commerce. Third, Taxes that encrease the public revenue; but are hurtful to manufactures and commerce. Fourth, Taxes that are hurtful to manufactures and commerce, without encreasing the public revenue. Fifth, Taxes that are hurtful to manufactures and commerce; and also lessen the public revenue. I proceed to instances of each kind.

The land-tax is an illustrious instance of the first kind: it produces a revenue to the public, levied with very little expence: and it hurts no mortal; for a landholder who pays for having himself and his estate protected, cannot be faid to be hurt. The duty on coaches is of the fame kind. Both taxes at the fame time are agreeable to found principles. Men ought to contribute to the public revenue, according to the benefit that protection affords them: a rich man requires protection for his possessions, as well as for his person, and therefore ought to contribute largely: a roods Cape of Good Hope plough with oxer, and carries then aid

poor man requires protection for his person only, and therefore ought to contribute very little.

A tax on foreign luxuries is an inftance of the fecond kind. It encreases the public revenue: and it greatly benefits individuals; not only by restraining the confumption of foreign luxuries, but by encouraging our own manufactures of that kind. Britain enjoys a monopoly of coal exported to Holland; and the duty on exportation is agreeable to found policy, being paid by the Dutch. This duty is an inftance of the fecond kind: it raifes a confiderable revenue to the public; and it enables us to cope with the Dutch in every manufacture that employs coal, fuch as dving, distilling, works of glass and of iron. And these manufactures in Britain, by the dearness of labour, are entitled to some aid. A tax on horses, to prevent their increase, would be a tax of the same kind. The incredible number of horses used in coaches and other wheel-carriages, has raifed the price of labour, by doubling the the price of oat-meal, the food of the labouring poor in many parts of Britain. The price of wheat is also raised by the same means; because the vast quantity of land employ'd in producing oats, leaves fo much the less for wheat. I would not exempt even plough-horses from the tax; because in every view it is more advantageous to use oxen *. So little regard is paid to these confideada to seasting amouthold, and we retions,

* They are preferable for husbandry in several respects. They are cheaper than horses: their food, their harness, their shoes, the attendance on them, much less expensive; and their dung much better for land. Horses are more subject to discases, and when discassed or old are totally useless; upon which account, a stock of horses for a farm, must be renewed at least every ten years; whereas a stock of oxen may be kept entire for ever without any new expence, as they will always draw a full price when satted for food. Nor is a horse more docide than an ox: a couple of oxen in a plough, require not a driver more than a couple of horses. The Dutch at the Cape of Good Hope plough with oxen; and exercise them early to a quick

rations, that a coach, whether drawn by two horses or by fix, pays the same duty.

As to the third kind, I am grieved to observe, that we have many taxes more hurtful to individuals than advantageous to the public revenue. Multiplied taxes on the necessaries of life, candle, foap, leather, ale, falt, &c. raife the price of labour, and confequently of manufactures. If they shall have the effect to deprive us of foreign markets, which we have reason to dread, depopulation and poverty must ensue. The falt-tax in particular is more out of rule than any of the others mentioned: with respect to these, the rich bear the greatest burden, being the greatest confumers; but the share they pay of the falt-tax is very little, because they never touch salt provisions. The salt-tax is still more abfurd in another respect, salt being a choice manure for land. One would be amazed to hear of a law prohibiting the use of lime as a manure: he would be still more amazed to hear of the prohibition being extended to falt, which is a manure much superior: and yet a heavy tax on falt, which renders it too dear for being used as a manure, surprises no man. But the mental eye, when left without culture, refembles that of the body: it feldom perceives but what is directly before it: inferences and confequences go far out of fight. Many thousand quarters of good wheat have been annually with-held from Britain by the falt-tax. What the

pace, so as to equal horses both in the plough and in the waggon. The people of Malabar use no other animal for the plough nor for burdens. About Pondichery no beasts of burden are to be seen but oxen. The vast increase of horses of late years for luxury as well as for draught, makes a great consumption of oats. If in husbandry oxen only were used, which require no oats, many thousand acres would be saved for wheat and barley. But the advantages of oxen would not be consined to the farmer. Beef would become much cheaper to the manufacturer, by the vast addition of fat oxen sent to market; and the price of leather and tallow would fall; a national benefit, as every one uses shoes and candles.

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treafury has gained, will not amount to the fiftieth part of that loss. The absurdity of with-holding from us a manure so profitable, has at last been discovered; and remedied in part, by permitting English soul salt to be used for manure, on paying sour pence of duty per bushel (a). Why was not Scotland permitted to taste of that bounty? Our candidates, it would appear, are more solicitous of a seat in parliament, than of serving their country when they have obtained that honour.

The window-tax is more detrimental to the common interest than advantageous to the public revenue. In the first place, it promotes large farms in order to fave houses and windows; whereas finall farms tend to multiply a hardy and frugal race, ufeful for every purpose. In the next place, it is a discouragement to manufactures, by taxing the houses in which they are carried on. Manufacturers, in order to relieve themselves as much as possible from the tax, make the whole fide of their house a fingle window; and there are instances where in three stories there are but three windows. The tax, at the same time, is imposed with no degree of equality: a house in a paultry village that affords not five pounds of yearly rent, may have a greater number of windows than one in London rented at fifty. In this respect it runs counter to found policy, by eafing the rich, and burdening the poor. The fame objection lies against the plate-tax. It is not indeed hurtful to manufactures and commerce: but it is hurtful to the common interest; because plate converted into money may be the means of faving the nation at a crifis, and therefore ought to be encouraged, instead of being loaded with a tax. On pictures imported into Britain, a duty is laid in proportion to the fize. Was there no intelligent person at hand, to inform our legislature, that the only means to rouse a genius for painting, is Characteristics to afree our facility may be a local burning the control of decident fluorests

(a) 8° Geo. III. cap. 25.

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to give our youth ready access to good pictures? Till these be multiplied in Britain, we never shall have the reputation of producing a good painter. So far indeed it is lucky, that the most valuable pictures are not loaded with a greater duty than the most execrable. Fish, both salt and fresh, brought to Paris, pay a duty of 48 per cent. by an arbitrary estimation of the value. This tax is an irreparable injury to France, by discouraging the multiplication of seamen. It is beneficial indeed in one view, as it tends to check the growing population of that great city.

Without waiting to rummage the British taxes for examples of the fourth kind, I shall present my reader with a foreign instance. In the Austrian Netherlands, there are inexhaustible mines of coal, the exportation of which would make a confiderable article of commerce, were it not absolutely barred by an exorbitant duty. This abfurd duty is a great injury to proprietors of coal, without yielding a farthing to the government. The Dutch many years ago offered to confine themselves to that country for coal, on condition of being relieved from the duty; which would have brought down the price below that of British coal. Is it not wonderful, that the propofal was rejected? But ministers feldom regard what is beneficial to the nation, unless it produce an immediate benefit to their fovereign or to themselves. The coal-mines in the Austrian Netherlands being thus shut up, and the art of working them loft, the British enjoy the monopoly of exporting coal to Holland.

The duty on coal water-born is an instance of the fifth kind. A great obstruction it is to many useful manufactures that require coal; and indeed to manufactures in general, by increasing the expence of coal, an essential article in a cold country. Nay, one would imagine, that it has been intended to check population; as poor wretches benumbed with cold, feel little of the carnal appetite. It has not even the merit of adding much to the public re-

venue; for, laying aside London, it produces but a mere trisle. But the peculiarity of this tax, which intitles it to a conspicuous place in the fifth class, is, that it is not less detrimental to the public revenue than to individuals. No fedentary art nor occupation, can fucceed in a cold climate without plenty of fewel. One may at the first glance distinguish the coal-countries from the rest of England, by the industry of the inhabitants, and by plenty of manufacturing towns and villages. Where there is fcarcity of fewel, fome hours are loft every morning; because people cannot work till the place be fufficiently warmed, which is especially the case in manufactures that require a foft and delicate finger. Now, in many parts of Britain which might be provided with coal by water, the labouring poor are deprived of that comfort by the tax. Had cheap firing encouraged these people to prosecute arts and manufactures; it is more than probable, that at this day they would be contributing to the public revenue by other duties, much greater fums than are drawn from them by the duty on coal. At the fame time, if coal must pay a duty, why not at the pit, where it is cheapest? Is it not an egregious blunder, to lay a great duty on those who pay a high price for coal, and no duty on those who have it cheap? If there must be a coal-duty, let water-born coal at any rate be exempted; not only because even without duty it comes dear to the confumer, but also for the encouragement of feamen. For the honour of Britain this duty ought to be expunged from our flatute-book, never again to flow its face. Great reason indeed there is for continuing the duty on coal consumed in London; because every artifice should be put in practice, to prevent the increase of a head, that is already too large for the body, or for any body. Towns are unhealthy in proportion to their fize; and a great town like London is a greater enemy to population than war or famine, name dead and a tada songam bloom

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S E C T. VII.

REGULATIONS for advancing INDUSTRY and COM-MERCE.

F all sciences, that of politics is the most intricate; and its progress toward maturity is slow in proportion. In the present section, taxes on exportation of native commodities take the lead; and nothing can set in a stronger light the gross ignorance of former ages, than a maxim universally adopted, That to tax exportation, or to prohibit it altogether, is the best means for having plenty at home. In Scotland we were not satisfied with prohibiting the exportation of corn, of sish, and of horses: the prohibition was extended to manufactures, linen cloth, for example, candle, butter, cheese, barked hides, shoes * (a).

Duties on exportation are in great favour, from a notion that they are paid by foreigners. This holds fometimes, as in the above-mentioned case of coal exported to Holland: but it fails in every case where the foreign market can be supplied by others;

^{*} Oil was the only commodity that by the laws of Solon was permitted to be exported from Attica. The figs of that country, which are delicious, came to be produced in fuch plenty, that there was no fufficient confumpt for them at home; and yet the law prohibiting exportation was not abrogated. Sycophant denotes a perfon who informs againft the exporter of figs: but the prohibition appearing abfurd, fycophant became a term of reproach.

⁽a) Act 59. parl. 1573.

for whatever be the duty, the merchant must regulate his price by the market. And even fuppoling the market-price at prefent to be fufficient for the duty, with a reasonable profit to the exporter, those who pay no duty will strain every nerve of rivalship, till they cut us out by low prices. The duty on French wine exported from France, is equal to a bounty to the wines of neighbouring countries. At the fame time, the duty is unskilfully imposed, being the same upon all wines exported, without regard to flavour or strength; which bars the commerce of fmall wines, tho' much more plentiful. A moderate duty on exportation, fuch as fmall wines can bear, would add a greater fum to the revenue, and also be more beneficial to commerce. To improve the commerce of wine in France, the exportation ought to be free, or, at most, charged with a moderate duty ad valorem. In Spain an exceffive duty is laid upon the plant barrile when exported; from a perfuafion that it will not grow in any other country. It is not confidered, that this tax, by leffening the demand, is a difcouragement to its culture. A moderate duty would raife more money to the public, would employ more hands, and would make that plant a permanent article of commerce. The excessive duty has fet invention at work, for fome material in place of that plant. If fuch a material shall be discovered, the Spanish ministry will be convinced of a falutary maxim, That it is not always fafe, to interrupt by high duties the free course of commerce. Formerly in Britain the exportation of manufactured copper was prohibited. That blunder in commercial politics, was corrected by a flatute in the reign of King William, permitting fuch copper to be exported, on paying a duty of four shillings the hundred weight. The exportation ought to have been declared free; which was done by a statute of Queen Anne. But as people are apt to overdo in the rage of improvement, this statute permits even unwrought copper, a raw material, to be exported. This probably VOL. I. 3 Q

was to favour copper-mines: but did it not also favour foreign copper-manufactures? Goods and merchandise of the product or manufacture of Great Britain, may be exported duty free (a). Alum, lead, and some other commodities specified in the statute, are excepted; and a duty formerly paid on exportation is continued, for encouraging such of our own manufactures as employ any of the articles specified. In Ireland to this day, goods exported are loaded with a high duty, without even distinguishing made work from raw materials; corn, for example, sish, hops, butter, horned cattle, wrought iron, leather, and every thing made of it, &c. &c. And that nothing may escape, all goods exported that are not contained in the book of rates, pay 5 per cent. ad valorem.

When Sully entered on the administration of the French finances, the corn in France was at an exorbitant price, occasioned by neglect of husbandry during the civil war. That fagacious minifter discovered the secret of re-establishing agriculture, and of reducing the price of corn, which is, to allow a free exportation. So rapid was the fuccess of that bold but politic measure, that in a few years France became the granary of Europe; and what at present may appear wonderful, we find in the English records, anno 1621, bitter complaints of the French underfelling them in their own markets. Colbert, who, fortunately for us, had imbibed the common error, renewed the ancient prohibition of exporting corn, hoping to have it cheap at home for his manufacturers. But he was in a gross mistake; for that prohibition has been the chief cause of many famines in France fince that time. corn-trade in France lay long under great difcouragements; and the French ministry continued long blind to the interest of their country. At last edicts were issued, authorising the commerce of corn to be absolutely free, whether fold within the kingdom or

(a) George I. cap. 14. ad 8.

exported.

exported. The generality however continued blind. In the year 1768, the badness of the harvest having occasioned a famine, the distresses of the people were excessive, and their complaints univerfal. Overlooking altogether the bad harvest, they, from amazing partiality, attributed their mifery to the new law. It was in vain inculcated, that freedom in the corn-trade encourages agriculture: the popular opinion was adopted even by most of the parliaments; fo difficult it is to eradicate established prejudices. In Turky, about thirty years ago, a grand vizir permitted corn to be exported more freely than had been done formerly, a bushel of wheat being fold at that time under feventeen pence. Every nation flocked to Turky for corn; and in particular no fewer than three hundred French veffels, from twenty to two hundred tons, entered Smyrna bay in one day. The Janissaries and populace took the alarm, fearing that all the corn would be exported, and that a famine would enfue. In Constantinople they grew mutinous, and could not be appeafed till the vizir was strangled, and his body thrown out to them. His fuccessor, who resolved not to fplit on the fame rock, prohibited exportation absolutely. In that country, rent is paid in proportion to the product; and the farmers, who faw no demand, neglected tillage. In less than three years the bushel of wheat rose to fix shillings; and the distresses of the people became intolerable. To this day, the fate of the good vizir is lamented.

We have improved upon Sully's difcovery, by a bounty on corn exported, which has answered our most fanguine expectations. A great increase of gold and filver subsequent to the faid bounty, which has raifed the price of many other commodities, must have also raised that of corn, had not still a greater increase of corn, occasioned by the bounty, reduced its price even below what it was formerly; and by that means our manufactures have profited by the bounty no lefs than our husbandry. The bounty is still

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more important in another respect: agriculture in France lies under many discouragements; the greatest of which is, that our wheat can be afforded as cheap in their markets as their own; and by prohibiting exportation, it is in our power during a war, to dash all the French schemes for conquest, by depriving them of bread *. This bounty therefore is our palladium, which we ought religiously to guard, if we would avoid being a province of France. Some fage politicians have begun of late to mutter against the bounty, as feeding our rival manufacturers cheaper than our own; which is a mistake, for the expence of exportation commonly equals the bounty. But supposing it true, will the evil be remedied by withdrawing the bounty? On the contrary, it will discourage manufactures, by raising the price of wheat at home. It will befide encourage French husbandry, fo as in all probability to reduce the price of their wheat, below what we afford it to them. In France, labour is cheaper than in England, the people are more frugal, they possess a better soil and climate: what have we to balance these signal advantages but our bounty? and were that bounty withdrawn, I should not be surprifed to see French corn poured in upon us, at a lower price than it can be furnished at home; the very game that was play'd against us, during Sully's administration.

The exportation of British manufactures to our American colonies, ought to meet with such encouragement as to prevent them from rivalling us: it would be a gross blunder to encourage their manufactures, by imposing a duty on what we export to them.

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^{*} Between the years 1715 and 1755 there was of wheat exported from England into France twenty-one millions of feptiers, estimated at two hundred millions of livres. The bounty for exporting corn has sometimes amounted to L. 150,000 for a single year. But this sum is not all lost to the public; for frequently our corn is exchanged with goods that pay a high duty on importation.

We ought rather to give a bounty on exportation; which, by underfelling them in their own markets, would quash every attempt to rivalship.

As the duty on foreign linen imported into Britain, is drawn back when exported to America, our legislature gave a bounty on our coarse linen exported to that country, which enables us to cope with the Germans in the American markets. The staining or printing of linen cloth, has of late become a considerable article in the manufactures of Britain; and there is no fort of linen more proper for that manufacture than our own. The duty of foreign linen is drawn back when exported to America, whether plain or stamped: and as we lose the bounty on our coarse linen when stamped, none but foreign linen is employ'd in the stamping manufacture. This is an oversight such as our legislature is guilty of sometimes.

It is not always true policy, to discourage the exportation of our own rude materials: liberty of exportation, gives encouragement to produce them in greater plenty at home; which consequently lowers the price to our manufacturers. Upon that principle, the exporting corn is permitted, and in Britain even encouraged with a bounty. But where exportation of a rude material will not encrease its quantity, the prohibition is good policy. For example, the exporting of rags for paper may be prohibited; because liberty of exporting will not occasion one yard more of linen cloth to be consumed.

Lyons is the city of Europe where the greatest quantity of filk stuffs is made: it is at the same time the greatest staple of raw filk; the filk of Italy, of Spain, of the Levant, and of the south of France, being there collected. The exportation of raw silk is prohibited in France, with a view to lessen its price at home, and to obstruct the silk-manufacture among foreigners. The first is a gross error; the prohibition of exportation producing scarcity, not plenty:

plenty: and with respect to the other view, it seems to have been overlooked, that the commerce of the filks of Italy, of Spain, and of the Levant, is not confined to France, but is open to all trading nations. This prohibition is indeed fo injudicious, that without any benefit to France, it has done irreparable mischief to the city of Lyons: while the commerce of raw filk, both buying and felling, was monopoliz'd by the merchants of that city, they had it in their power to regulate the price; but to compel foreigners to go to the fountain-head, not only raises the price by concurrence of purchasers, but deprives Lyons of a lucrative monopoly. The fame blunder is repeated with respect to raw filk fpun and dy'd. In Lyons, filk is prepared for the loom with more art than any where elfe; and to fecure the filk-manufacture, the exportation of spun filk is prohibited; which must rouse foreigners, to bestow their utmost attention upon improving the spinning and drefling of filk: and who knows whether reiterated trials by perfons of genius, may not, in England for example, bring these branches of the manufacture to greater perfection, than they are even in Lyons?

Whether we have not committed a blunder of the same kind in prohibiting exportation of our wool, is a very serious question, which I proceed to examine. A spirit for husbandry, and for every fort of improvement, is in France turning more and more general. In several provinces there are societies, who have command of public money for promoting agriculture; and about no other article are these societies more solicitous, than about improving the staple of their wool. A book lately published in Sweden, and translated into French, has inspired them with sanguine hopes of success; as it contains an account of the Swedish wool being greatly improved in quality, as well as in quantity, by importing spanish and English sheep for breed. Now as France is an extensive country, situated between Spain and England, two excellent wool-

wool-countries, it would be strange, if there should not be found a fingle corner in all France, where wool may be advanced to fome degree of perfection. Britain may be justly apprehensive of these attempts; for if France can cope with us under the difadvantage of procuring our wool by fmuggling, how far will they exceed us with good wool of their own? The woollen cloth of England has always been held its capital manufacture; and patriotifm calls on every one to prevent if possible the loss of that valuable branch. Till fomething better be discovered, I venture to propose what at first may be thought a strange measure, and that is, to permit the exportation of our wool upon a moderate duty, fuch as will raife the price to the French, but not fuch as to encourage fmuggling. The opportunity of procuring wool in the neighbourhood at a moderate price, joined with feveral unfuccefsful attempts to improve the staple of their own wool, would foon make the French abandon thoughts of that improvement.

Experience has unfolded the advantages of liberty to export corn: it has greatly encouraged agriculture, and, by increasing the quantity of corn, has made it even cheaper at home than formerly. Have we not reason to expect a similar consequence, from the fame measure with respect to wool? A new vent for that commodity, would increase the number of our sheep, meliorate the land by their dung, and probably bring down the price of our wool at home. It is proper indeed to prohibit the exportation of wool, as of corn, when the price rifes above a certain fum; which would have the double effect of fecuring plenty to ourselves, and diffreffing our rivals at critical times when the commodity is fcarce.

There is one reason that should influence our legislature to permit the exportation of wool, even supposing the foregoing arguments to be inconclusive: Very long experience may teach us, if we can be taught by experience, that vain are our endeavours to ween Spain and England, two excellent

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prevent wool from being exported: it holds true with respect to all prohibitions, that simuggling will always prevail, where the profits rise above the risk. Why not then make a virtue of necessity, by permitting exportation under a duty? One other measure would restore the English woollen manufacture to its pristine splendor, which is, to apply the sum arising from the tax, as a premium for exporting woollen goods. Were that measure adopted, the liberty of exporting wool would prove a singular blessing to England.

I close this branch with a commercial lesson, to which every other confideration ought to yield. The trade of a nation depends for the most part on very delicate circumstances, and requires to be carefully nurfed. Foreigners, in particular, ought to be flattered and encouraged, that they may prefer us before others. Nor ought we ever to rely entirely on our natural advantages; for it is not eafy to foresee what may occur to overbalance them. As this reflection is no less obvious than weighty, facts will be more effectual than argument for making a deep impression. The Swifs fome years ago imported all their wines from the King of Sardinia's dominions. The King laid a high duty on thefe wines, knowing that the Swifs had not ready access to any other wine-country. He did not foresee, that this high duty was equal to a premium for cultivating the vine at home. They fucceeded; and now are provided with wine of their own growth. The city of Lyons, by making filver-thread in perfection, had maintained a monopoly of that article against foreigners, as well as natives. But a high duty on the exporting it, in order to monopolize also the manufacture of filver-lace, will probably excite foreigners to improve their own filver-thread and filver-lace; and France will be deprived of both monopolies, by the very means employ'd for fecuring both. English goods purchased by Spaniards for the American market, pay to the King of Spain on exportation

portation a duty equal to their value. This impolitic measure opens a wide door to sinuggling; as English goods can be furnished 50 per cent. cheaper from Jamaica. The Spanish governor of Mexico joins underhand in the smuggling; which is commonly carried on in the following manner. The governor, to whom early notice is given, issue a proclamation, bearing, that a foreign ship, with English goods on board, every article being specified, is hovering on the coast; and prohibiting, under severe penalties, any person to be a purchaser. That public proclamation, which is virtually a public advertisement, has the desired effect. All slock to the shore, and purchase in perfect tranquillity.

Befide heavy duties, commerce with foreigners has been diftreffed by many unwary regulations. The herring-fifhery, which is now an immense article of commerce, was engrossed originally by the Scots. But grafping at all advantages, the royal boroughs of Scotland, in the reign of the fecond James, prohibited their fishermen to fell herrings at sea to foreigners; ordering, that the herring should be first landed, in order that they themselves might be first served. Such was the police of those times. But behold the confequence. The Netherlanders, and people of the Hanse towns, being prohibited to purchase as formerly, became fishers themselves, and cut the Scots out of that profitable branch of trade. The tar-company of Sweden, taking it for granted, that the English could not otherwise be supplied, refused to let them have any pitch or tar, even for ready money, unless permitted to be imported into England in Swedish bottoms; and confequently in fuch quantities only as the company should be pleafed to furnish. This hardship moved the parliament to give a bounty for pitch and tar made in our own colonies. And if we be not already, we shall soon be altogether independent of Sweden. The Dutch, excited by the profitable trade of Portugal with the East Indies, attempted a north-east passage to China; and VOL. I. 3 R

and that proving abortive, they fet on foot a trade with Lifbon for East-India commodities. Portugal was at that time subject to the King of Spain; and the Dutch, tho' at war with Spain, did not doubt of their being well received in Portugal, with which kingdom they had no cause of quarrel. But the King of Spain, overlooking not only the law of nations, but even his own interest as King of Portugal, confifcated at fhort-hand the Dutch ships and their cargoes, in the harbour of Lisbon. That unjust and unpolitic treatment, provoked the Dutch to attempt an East-India trade, which probably they would not otherwise have thought of; and they were fo fuccefsful, as to fupplant the Portuguese in every quarter. And thus the King of Spain, by a gross error in politics, exalted his enemies to be a powerful maritime state. Had he encouraged the Dutch to trade with Lisbon, other nations must have reforted to the fame market. Portugal thereby would have been raised to such a height of maritime power, as to be afraid of no rival. The Dutch would not have thought of coping with them, nor would any other nation.

We proceed to foreign commodities, and the measures laid down for regulating their importation, which have different views. One is, to keep down a rival power; in which view it is prudent to prohibit importation from one country, and to encourage it from another. It is judicious in the British legislature, to load French wines with a higher duty than those of Portugal; and in France, it would be a proper measure, to prefer the beef of Holstein, or of Russia, before that of Ireland; and the tobacco of the Ukraine, or of the Palatinate, before that of Virginia. But such measures of government ought to be sparingly exercised, for fear of retaliation.

There is no cause more cogent for regulating importation, than an unfavourable balance. By permitting French goods to be imported free of duty, the balance against England was computed to be

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be a million Sterling yearly. In the year 1678, that importation was regulated; which, with a prohibition of wearing East-India manufactures, did in twenty years turn the balance of trade in favour of England.

Most of the British regulations with regard to goods imported, are contrived for promoting our own manufactures, or those of our colonies. A statute, 3° Edward IV. cap. 4. intitled, " Cer-" tain merchandifes not lawful to be brought ready wrought into "the kingdom," contains a large lift of fuch merchandifes; showing the good sense of the English in an early period, intent on promoting their own manufactures. To favour a new manufacture of our own, it is proper to lay a duty on the fame manufacture imported. To encourage the art of throwing filk, the duty on raw filk imported is reduced, and that on thrown filk is heightened. But fuch a meafure ought to be taken with great circumfpection, left it recoil against ourselves. The Swedes, some years ago, intent on raising manufactures at home, prohibited at once foreign manufactures, without due preparation. Smuggling enfued, for people must import what they cannot find at home; and the home manufactures were not benefited. But the confequences were still more severe. Foreign manufactures were formerly purchased with their copper, iron, timber, pitch, tar, &c.: but now, as foreigners cannot procure these commodities but with ready money, they refort to Ruffia and Norway, where commodities of the fame kind are procured by barter. The Swedish government, perceiving their error, permit several foreign manufactures to be imported as formerly. But it is now too late; for the trade flows into another channel; and at prefent, the Swedish copper and iron works are far from flourishing as they once did. In the year 1768, an ordinance was iffued by the court of Spain, prohibiting printed or painted linen and cotton to be imported; intended for encouraging a manufacture of printed cottons projected in Catalonia and Aragon. The Spanish ministry have all along been fingularly unlucky in their commercial regulations. It is easy to foresee, that such a prohibition will have no effect, but to raise the price on the subjects of Spain; for the prohibited goods will be fmuggled, difcouraging as much as ever the intended manufacture. The prudent measure would have been, to lay a duty upon printed cottons and linens imported, fo fmall as not to encourage fmuggling; and to apply that duty for nurfing the infant manufacture. A foreign manufacture ought never to be totally prohibited, till that at home be in fuch plenty, as nearly to fupply the wants of the natives. During ignorance of political principles, a new manufacture was commonly encouraged with an exclusive privilege for a certain number of years. Thus in Scotland, an exclusive privilege of exporting woollen and linen manufactures, was given to some private societies (a). Such a monopoly is ruinous to a nation; and frequently to the manufacture itself (b). I know no monopoly that in found politics can be justified, except that given to authors of books for fourteen years by an act of Queen Anne *. Exemption from duty, premiums

⁽a) A& 42. parl. 1661.

⁽b) See Elemens du Commerce, tom. 1. p. 334.

^{*} That act is judiciously contrived, not only for the benefit of authors, but for that of learning in general. It encourages men of genius to write, and multiplies books both of instruction and amusement; which, by concurrence of many editors after the monopoly is at an end, are fold at the cheapest rate. Many well-disposed persons complain, that the exclusive privilege bestow'd by the statute upon authors is too short, and that it ought to be perpetual. Nay it is afferted, that authors have a perpetual privilege by common law; and it was determined lately in the court of king's-bench, that by the common law of England the privilege is perpetual. Nothing more frequently happens, than by grasping at the shadow, to lose the substance; for I have no difficulty to maintain, that a perpetual mono-

to the best workmen, a bounty on exportation, joined with a duty on goods of the same kind imported, and at last a total prohibition, are the proper encouragements to a new manufacture.

The importation of raw materials ought to be encouraged in every manufacturing country, permitting only a moderate duty for encouraging our own rude materials of the fame kind. By a French edict 1654, for encouraging ship-building, ship-timber imported pays no duty. But perhaps a moderate duty would have been better policy, in order to encourage such timber of the growth of France. Deal timber accordingly, and other timber, imported into Britain from any part of Europe, Ireland excepted, pays a moderate duty. And oak-bark imported pays a duty, which is an encouragement to propagate oak at home. The importation of lean cattle from Ireland, which in effect are raw ma-

poly of books would prove more destructive to learning, and even to authors, than a fecond irruption of Goths and Vandals. It is the nature of a monopoly to raife the price of commodities; and by a perpetual monopoly in the commerce of books, the price of good books would be raifed far beyond the reach of most readers: they would be fold like pictures of the great mafters. The works of Shakespeare, for example, or of Milton, would be feen in very few libraries. In fhort, the fale of good books would be confined to a few learned men, fuch as have money to fpare, and to a few rich men, who buy out of vanity, as they buy a diamond or a fine coat. Fashions at the same time are variable; and books, even the most splendid, would wear out of fashion with men of opulence, and be despised as antiquated furniture. And with respect to men of taste, their number is so small as not to afford encouragement even for the most frugal edition. Thus bookfellers, by grasping too much, would put an end to their trade altogether; and men of genius would not write, when no price could be afforded for their works. At the fame time, our prefent authors and bookfellers would not be much benefited by fuch a monopoly. Not many books have fo long a run as fourteen years; and the fuccefs of a book on the first publication, is so uncertain, that a bookfeller will give little more for a perpetuity, than for the temporary privilege of the statute. This was foreseen by the legiflature; and the privilege was wifely confined to fourteen years, equally beneficial to the public and to authors.

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terials, is, by a statute of Charles II. declared a public nuisance. What gross ignorance! Is it not evident, that to feed cattle, is more profitable than to breed them? The chief promoter of that notable statute, was Sir John Knight, infamous for an insolent fpeech in King William's reign against naturalizing foreign Protestants, and proposing to kick out of the kingdom those already fettled. Experience hath proved the benefit of importing lean cattle into England; witness the vast quantities imported yearly from Scotland. Diamonds, pearls, and jewels of every kind, paid formerly upon importation a duty of ten per cent. ad valorem; which by act 6° George II. cap. 7. was taken off, upon the following preamble: "That London is now become a great mart for dia-" monds and other precious stones, from whence most foreign " countries are fupplied; that great numbers of rough diamonds " are fent here to be cut and polished; and that a free importa-" tion would encrease the trade."

Sorry am I to observe, that several of our duties on importation, are far from being conformable to the foregoing rule; many raw materials necessary for our manufactures being loaded with a duty on importation, and fome with a heavy duty. Barilla, for example, is a raw material used in the glass-manufacture: the exportation from Spain is loaded with a very high duty: and to raise the price still higher, we add another duty on importation; without having the pretext of encouraging a raw material of our own growth, for barilla grows not in this island. Hair is a raw material employ'd in feveral manufactures; and yet every kind of it, human hair, horse hair, goat's hair, &c. pays a duty on importation; which confequently raifes the price of our own hair, as well as of what is imported. Nor has this duty, more than the former, the pretext of being an encouragement to our own product; for furely there will not on that account be reared one child more, or foal, or kid. The fame objection lies against the duty on foreign kelp, which is very high. Rancid oil of olives, fit for foap and woollen manufactures, pays upon importation a high duty: were it free of duty, we should be able to serve ourselves with Castile soap of home manufacture; and likewise our colonies, which are partly supplied by the French. Each of the following raw materials ought in sound policy to be free of duty on importation; and yet they are loaded with a duty, some with a high duty; pot-ashes, elephant's teeth, raw silk from the East Indies, lamp-black, bristles dressed or undressed, horns of beeves. Undressed skins, tho' a rude material, pay a duty on importation; and French kid-skins are honoured above others with a high duty: to reject a great benefit to ourselves rather than afford a small benefit to a rival nation, savours more of peevishness than of prudence.

For encouraging our colonies, coffee is permitted to be imported from the plantations free of duty, while other coffee pays fix pence per pound. The heavy duty on whalebone and whaleoil imported, which was laid on for encouraging our own whalefishing, is taken off with respect to the importation from our American colonies (a). This may put an end to our own whalefishery: but it will enable the Americans to cope with the Dutch; and who knows whether they may not at last prevail? For encouraging the culture of hemp and flax in America, there is a bounty given upon what is imported into Britain. One would imagine, that our legislature intended to enable the colonies to rival us in a staple manufacture, contrary to the fundamental principle of colonization. But we did not fee fo far: we only forefaw a benefit to Britain, in being fupplied with hemp and flax from our colonies, rather than from Russia and the Low Countries. But even abstracting from rivalship, was it not obvious, that a bounty for

(a) 40 George III. cap. 29.

encouraging

encouraging the culture of hemp and flax at home, would be more fuccefsful, than for encouraging the culture in America, where the price of labour is excessively high, not to talk of the freight *?

The encouragement given to foreign linen-yarn, by taking off the duty on importation, is a measure that greatly concerns Britain; and how far falutary, shall be strictly examined, after stating some preliminary observations. The first is, That as the price of our own commodities can never rise above that of foreign commodities fold here, the price of imported linen must regulate the price of home-made linen. The next is, That tho' the duty on importation is paid by the merchant at the first instance, he relieves himself of it, by raising the price on the purchaser; which of course raises the price of the same fort of goods made at home;

* Between the mother-country and her colonies the following rule ought to be facred, That with respect to commodities wanted, each of them should prefer the other before all other nations. Britain should take from her colonies whatever they can furnish for her use; and they should take from Britain whatever she can furnish for their use. In a word, every thing regarding commerce ought to be reciprocal, and equal between them. To bar a colony from access to the fountain-head for commodities that cannot be furnished by the mother-country but at fecond-hand, is oppression: it is so far degrading the colonists from being free subjects to be slaves. What right, for example, has Britain to prohibit her colonies from purchasing tea or porcelane at Canton, if they can procure it cheaper there than in London? No connection between two nations can be fo intimate, as to make fuch reftraint an act of justice. Our legislature however have acted like a stepmother to her American colonies, by prohibiting them to have any commerce but with Britain only. They must land first in Britain all their commodities, even what are not intended to be fold there; and they must take from Britain, not only its own product, but every foreign commodity that is wanted. This regulation is not only unjust but impolitic; as by it the interest of the colonies in general is facrificed to that of a few London merchants. Our legislature have at last fo far opened their eyes, as to give a partial relief. Some articles are permitted to be carried directly to the place of deftination, without being first entered in Britain, wheat for example, rice, &c.

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and accordingly a duty on importation is in effect a bounty to our own manufacturers. A third observation is, That the price of our linen-cloth ought to be divided between the spinner and the weaver, in such proportion as to afford bread to both. If the yarn be too high, the weaver is undone; and if too low, the spinner is undone. This was not attended to, when, for encouraging our spinners, a duty of three pence was laid on every pound of imported linen-yarn; which had the effect to raise the price of our own yarn beyond what the weaver could afford. This mystery being unvailed, the duty was first lowered to two pence, and then to a penny: our spinners had tolerable bread, and our weavers were not oppressed with paying too high a price for yarn.

Some patriotic gentlemen, who had more zeal than knowledge, finding the linen-manufacture benefited by the feveral reductions of the duty, rashly concluded, that it would be still more benefited by a total abolition of the duty. The penny accordingly was taken off (a), and linen-yarn was permitted to be imported duty-free; which, if matters had continued as at the date of the act, would have left us not a fingle spinner by profession; because it would have reduced the price of our yarn below what could afford bread to the fpinner. Lucky it has been for our linen-manufacture, that the German war, which foon followed, fufpended all their manufactures, and fpinning in particular; which proved a favourable opportunity for diffusing widely the art of spinning, and for making our fpinners more and more dexterous. And yet, now that the war is at an end, it is far from being certain, that our varn can be afforded as cheap as what is imported from Silefia. We have good authority for afferting, that the English spinners have fuffered by that flatute: from the books of many parishes it appears, that soon after the statute, a number of wo-

(a) 29° George II.

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men,

men, who had lived by fpinning, became a burden upon the parish. One thing is evident, that as spinning is the occupation of females who cannot otherwise be so usefully employ'd, and as more hands are required for spinning than for weaving, the former is the more valuable branch of the manufacture. It ought then to be the peculiar concern of our legislature, not to destroy that branch by impolitic regulations. And yet very little attention feems to have been given to the public interest, in passing the act under confideration. Why was it not enquired into, whether the intended reduction of the price of yarn, would leave bread to the British spinner? The refult of that enquiry would have been fatal to the intended act; for it would have been clearly feen, that the Scotch spinner could not make bread by her work, far less the English. Other particulars ought also to have been fuggested to the legislature, that flax-spinning is of all occupations the fittest for women of a certain class, confined within fmall houses; that a flax-wheel requires less space than a wheel for wool; and that the toughness of British flax makes it excel for fail-cloth, dowlas, ticking, and fheeting. The British spinner might, in a British statute, have expected the cast of the scale, had it been but a halfpenny per pound on importation.

At the same time, why should there be any inconsistency in our commercial regulations, when the wisest heads of the nation are employ'd about them? Flax rough or undressed, being a rude material, is imported duty-free, but dressed flax pays a high duty; both of them calculated for encouraging our own manufacturers. Behold now a flat inconsistency: tho' dressed flax, for the reason given, pays a high duty; yet when by additional labour it is converted into yarn, it pays no duty. How absurd is this! Further, foreign yarn is not only made welcome duty-free, but even receives a bounty when converted into linen, and exported to our plantations. Have we no reason to be assaid, that such indul-

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gence to foreign yarn will deprive us of foreign rough flax? The difference of bulk and freight will determine the Germans to fend us nothing but their yarn, and equally determine our importers to commission that commodity only.

Goods imported, if subjected to a duty, are generally of the best kind; because the duty bears a less proportion to such than to meaner forts. The best French wines are imported into Britain, where the duty is higher than in any other country. For that reason, the best linen-yarn was imported while the duty sub-stifted; but now the German yarn is sorted into different kinds,

of which the worst is reserved for the English market.

Regulations concerning the exportation of commodities formerly imported, come next in order. And for encouraging fuch exportation, one method practifed with fuccess, is, to restore to the merchant the whole or part of the duty paid at importation; which is termed a drawback. This in particular is done with refpect to tobacco; which by that means can be afforded to foreigners at two pence halfpenny per pound, when the price at home is eight pence halfpenny. But by an omission in the act of parliament, a drawback is only given for raw tobacco; which bars the exportation of fnuff or manufactured tobacco, as foreigners can underfell us five-and-thirty per cent. Tobacco being an article of luxury, it was well judged in our legislature to lay a heavier duty on what is confumed at home, than on what is exported. Upon the same principle, the duty that is paid on the importation of coffee and cocoa from our American plantations, is wholly drawn back when exported (a). But as China earthen ware is not intitled to any encouragement from us, and as it is an article of luxury, it gets no drawback, even when exported to America (7° George III. cap. 46.). The exporter of rice from Britain, first imported from

(a) 7° George III. cap. 46.

America,

America, is intitled to draw back but half the duty paid on importation. Rice imported duty-free might rival our wheat-crop. But the whole duty ought to be drawn back on exportation: it ought to be afforded to our neighbours at the lowest rate, partly to rival their wheat-crop, and partly to encourage our rice-colonies.

Tobacco is an article of luxury; and it is well ordered, that it should come dearer to us than to foreigners. But every wife administration will take the opposite side with respect to articles that concern our manufactures. Quickfilver pays upon importation a duty of about 8 d. per pound; 7 d. of which is drawn back upon exportation. The intention of the drawback was to encourage the commerce of quickfilver; without adverting, that to afford quickfilver to foreign manufacturers cheaper than to our own, is a gross blunder in commercial politics. Again, when quickfilver is manufactured into vermilion or fublimate, no drawback is allowed; which effectually bars their exportation: we ought to be ashamed of such an absurdity. In the reign of Queen Elifabeth, dyers were prohibited to use logwood, which was ordered to be openly burnt. But the English dyers having acquired the art of fixing colours made of logwood, it was permitted to be imported (a), every ton paying on importation L. 5; L. 4 of which was to be drawn back upon exportation. That law, made in the days of ignorance, was intended to encourage the commerce of logwood; and had that effect: but the blunder of difcouraging our own manufactures, by furnishing logwood cheaper to our rivals, was overlooked. Both articles were put upon a better footing (b), giving a greater encouragement to the commerce of logwood, by allowing it to be imported duty-free; and

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(d) to George III, eap, 35

⁽a) A& 13. & 14. Charles II. cap. 11. § 26. 27.

⁽b) A& 80 George I. c. 14

by giving an advantage to our own manufactures, by laying a duty of 40 s. upon every hundred weight exported. Laftly, Still more to encourage the commerce of logwood (a), the duty upon exportation is discontinued. It will have the effect proposed: but will not that benefit be more than balanced by the encouragement it gives to foreign manufactures? By the late peace, we have obtained the monopoly of gum-fenega; and proper measures have been taken for turning it to the best account: the exportation from Africa is confined to Great Britain; and the duty on importation is only fix pence per hundred weight: but the duty on exportation from Britain is thirty shillings per hundred weight (b); which, with freight, commission, and insurance, makes it come dear to foreigners. Formerly, every beaver's skin paid upon importation feven pence of duty; and the exporter received a drawback of four pence; as if it had been the purpose of the legislature, to make our own people pay more for that ufeful commodity than foreigners. Upon obtaining a monopoly of beaver-skins by the late peace, that abfurd regulation was altered: a penny per skin of duty is laid on importation, and seven pence on exportation (c). By that means beaver-skins are cheaper here than in any other country of Europe. A fimilar regulation is established with respect to gum-arabic. A hundred weight pays on importation fix pence, and on exportation L. I, 10s. (d). As the foregoing articles are used in various manufactures, their cheapness in Britain, by means of these regulations, will probably balance the high price of labour, fo as to keep open to us the foreign market.

James

⁽a) 7° Geo. III. cap. 47.

⁽b) 5° George III. cap 37.

⁽c) 4º George III. cap. 9.

⁽d) 50 George III. cap. 37.

James I. of England iffued a proclamation, prohibiting gold and filver, whether in coin or plate, goldfmith's work, or bullion, to be exported. Not to mention the unconflitutional step of an English King usurping the legislative power, it was a glaring abfurdity to prohibit manufactured work from being exported. Gold and filver, coined or uncoined, are to this day prohibited to be exported from France; a most absurd prohibition, for a merchant will never willingly export gold and filver; but if the balance be against him, the exportation is unavoidable. The only effect of the prohibition is, to swell the merchant's debt; for he must have recourse to a smuggler, who must be tempted with a high bribe to undertake the exportation.

A French author remarks, than in no country are commercial regulations better contrived than in Britain; and inflances the following particulars. 1st, Foreign commodities, such as may rival their own, are prohibited, or burdened with duties. 2d, Their manufactures are encouraged by a free exportation. 3d, Raw materials which cannot be produced at home, cochineal, for example, indigo, &c. are imported free of duty. 4th, Raw materials of their own growth, such as wool, fuller's earth, &c. are prohibited to be exported. 5th, Every commodity has a free course through the kingdom, without duty. And lastly, Duties paid on importation, are repaid on exportation. This remark is for the most part well founded: and yet the facts above set forth will not permit us to say, that the English commercial laws have as yet arrived at perfection.

HAVING thus gone through the feveral articles that enter into the present sketch, I shall close with some general reslections. The management of the sinances is a most important branch of government; and no less delicate than important. Taxes may be so contrived as to promote in a high degree the prosperity of a state; and without much contrivance, they may do much mischief.

chief. The latter, by rendering the fovereign odious, and the people miferable, effectually eradicate patriotism: no other cause is more fruitful of rebellion; and no other cause reduces a country to be a more easy prey to an invader. To that cause were the Mahometans chiefly indebted for their conquest of the Greek empire. The people were glad to change their master; because, instead of multiplied, intricate, and vexatious duties, they found themselves subjected to a simple tribute, easily collected, and easily paid. Had the art of oppressive taxes been known to the Romans, when they put in practice against the Carthaginians the utmost persidy and cruelty for making them abandon their city, they probably would have chosen the softer method of imposing high duties on exportation and importation, which would have gratified their avarice, and at the same time have emaciated Carthage, and reduced it to beggary.

But fuch taxes require not the aid of external force to fubdue a nation: they alone will reduce it to the most contemptible weakness. From the union of the different Spanish kingdoms under one monarch, there was reason to expect an exertion of spirit, similar to that of the Romans when peace was restored under Augustus. Spain was at that period the most potent kingdom in Europe, or perhaps in the world; and yet, instead of slourishing in that advantageous condition, it was by noxious taxes brought down to poverty and depopulation. The political history of that kingdom with respect to its finances, ought to be kept in perpetual remembrance, that kings, and their ministers, may shun the destructive rock upon which Spain hath been wrecked. The cortes of Spain had once as extensive powers as ever were enjoy'd by an English parliament; but at the time of the union their power being funk to a shadow, the King and his ministers governed without much control. Britain cannot be too thankful to Providence for her parliament. From the history of every modern European nation, an instructive lesson may be gathered, that the three estates, or a parliament in our language, are the only proper check against the ignorance and rapacity of ministers. The fertility of the Spanish foil is well known. Notwithstanding frequent droughts to which it is liable, it would produce greatly with diligent culture; and in fact during the time of the Roman domination, produced corn fufficient for its numerous inhabitants, and a great furplus, which was annually exported to Italy. During the domination of the Moors, Arabian authors agree, that Spain was extremely populous. An author of that nation, who wrote in the tenth century, reports, that in his time there were in Spain 80 capital cities, 300 of the fecond and third orders, befide villages fo frequent, that one could not walk a mile without meeting one or more of them. In Cordova alone, the capital of the Moorish empire, he reckons 200,000 houses *, 600 mosques, and 900 public baths. In the eleventh century, another author mentions no fewer that 12,000 villages in the plain of Seville. Agriculture at that period must have been in the utmost perfection, when Spain could feed fuch multitudes. What was the extent of their internal commerce, is not recorded; but all authors agree, that their foreign commerce was immense. Beside many articles of smaller value, they exported raw filk, oil, fugar, a fort of cochineal, quickfilver, iron wrought and unwrought, manufactures of filk, of wool, &c. The annual revenue of Abdoulrahman III, one of the Spanish califs, was in money 12,045,000 dinares, above five millions Sterling, befide large quantities of corn, wine, oil, and other fruits. That prince's revenue must indeed have been immense to supply the fums expended by him. Befide the annual charges of government, fleets, and armies, he laid out great fums on his pri-

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^{*} Dwelling-houses at that time were not so large, nor so expensive, as they came to be in later times.

vate pleasures. Tho' engaged continually in war, he had money to spare for building a new town three miles from Cordova, named Zebra, after his favourite mistress. In that town he erected a magnificent palace, sufficiently capacious for his whole seraglio of 6300 persons. There were in it 1400 columns of African and Spanish marble, 19 of Italian marble, and 140 of the finest kind, a present from the Greek Emperor. In the middle of the great saloon, were many images of birds and beasts in pure gold adorned with precious stones, pouring water into a large marble bason. That prince must have had immense stables for horses, when he entertained for his constant guard no fewer than 12,000 horsemen, having sabres and belts enriched with gold. Upon the city of Zehra alone, including the palace and gardens, were expended annually 300,000 dinares, which make above L. 100,000 Sterling; and it required twenty-five years to complete these works **.

The great fertility of the foil, the industry of the Moors, and their advantageous fituation for trade, carried on the prosperity of Spain down to the time that they were subdued by Ferdinand

* A present made to Abdoulrahman by Abdoulmelik, when chosen prime vizier, is a specimen of the riches of Spain in that period. 1st, 408 pounds of virgin gold. 2d, The value of 420,000 sequins in silver ingots. 3d, 400 pounds of the wood of aloes, one piece of which weigh'd 180 pounds. 4th, 500 ounces of ambergrease, of which there was one piece that weigh'd 100 ounces. 5th, 300 ounces of the finest camphire. 6th, 300 pieces of gold-stuff, such as were prohibited to be worn but by the Caliph himself. 7th, A quantity of fine fur. 8th, Horse-furniture of gold and silk, Bagdad fabric, for 48 horses. 9th, 4000 pounds of raw silk. 10th, 30 pieces Persian tapestry of surprising beauty. 11th, Complete armour for 800 war-horses. 12th, 1000 bucklers, and 100,000 arrows. 13th, Fifteen Arabian horses, with most sumptuous furniture; and a hundred other Arabian horses for the King's attendants. 14th, Twenty mules, with suitable surniture. 15th, Forty young men, and twenty young women, complete beauties, all of them dress'd in superb habits.

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of Arragon. Of this we have undoubted evidence, from the condition of Spain in the days of Charles V. and of his fon Philip, being effected at that period the richest nation in the universe. We have the authority of Ustariz, that the town of Seville, in the period mentioned, contained 60,000 filk looms. During the fixteenth century, the woollen cloth of Segovia was esteemed the finest in Europe; and that of Catalonia long maintained its preference in the Levant, in Italy, and in the adjacent islands. In a memorial addressed to the second Philip, Louis Valle de la Cerda reports, that in the fair of Medina he had negotiated bills of exchange to the extent of one hundred and sifty-five millions of crowns; and in Spain at that time there were several other fairs, no less frequented.

The expulsion of the Moors, deprived Spain of fix or feven hundred thousand frugal and industrious inhabitants; a wound that touch'd its vitals, but not mortal: tender care, with proper remedies, would have restored Spain to its former vigour. But unhappily for that kingdom, its political physicians were not skilled in the method of cure: instead of applying healing medicines, they enslamed the disease, and rendered it incurable. The ministry, who, instigated by the clergy, had prevailed on the King to banish the Moors, dreading loss of favour if they should suffer the King's revenues to fink, were forc'd, in self-defence, to double the taxes upon the remaining inhabitants. And what could be expected from that fatal measure, but utter ruin; when the poor Christians, who were too much of gentlemen to be industrious, had searce been able to crawl under the load of former taxes?

But a matter that affords a lesson so instructive, merits a more particular detail. So late as the beginning of the last century, there were extensive plantations of sugar in the kingdom of Granada, which upon the occasion mentioned were deeply taxed, so as that with the former taxes sugar pay'd 36 per cent. This branch

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of hufbandry, which could not fail to languish under fuch oppresfion, was in a deep confumption when the first American fugars were imported into Europe, and was totally extinguished by the lower price of these sugars. Spain once enjoy'd a most extensive commerce of spirits manufactured at home, perhaps more extensive than France does at prefent. But two causes concurred to ruin that manufacture; first, oppressive taxes; and next, a prohibition to the manufacturer, of vending his spirits to any but to the farmers of the revenue; a flavery past all endurance. Spanish falt is fuperior in quality to that of Portugal, and still more to that of France: when refined in Holland, it produces 10 per cent. more than the former, and 20 per cent. more than the latter; and the making of falt, requires in Spain less labour than in Portugal or in France. Thus Spanish falt may be afforded the cheapest, as requiring less labour; and yet may draw the highest price, as superior in quality: notwithstanding which shining advantages, scarce any falt is exported from Spain; and no wonder, for an exorbitant duty makes it come dearer to the purchaser than any other falt. A more moderate duty would bring more profit to the government; beside easing the labouring poor, and employing them in the manufacture. The fuperior quality of Spanish raw filk, makes it in great request; but as the duty upon it exceeds 60 per cent. it can find no vent in a foreign market: nor is there almost any demand for it at home, as its high price has reduced the filk-manufacture in Spain to the lowest ebb. But the greatest oppression of all, as it affects every fort of manufacture, is the famous tax known by the name of alcavala, upon every thing bought and fold, which was laid on in the fifteenth century by a cortes or parliament, limited expressly to eight years, and yet kept up, contrary to law, merely by the King's authority. This monstrous tax, originally 10 per cent. ad valorem, was by the two Philips, III. and IV. augmented to 14 per cent.; fufficient of itself to de-3 T 2 Aroy

flroy all internal commerce, by the encouragement it gives to fmuggling *. The difficulty of recovering payment of fuch oppreflive taxes, heightened the brutality of the farmers; which hastened the downfall of the manufactures: poverty and distress banished such workmen as could find bread elsewhere; and reduc'd the rest to beggary. The poor husbandmen funk under the weight of taxes: and as if this had not been fufficient to ruin agriculture totally, the Spanish ministry superadded an absolute prohibition against exporting corn. The most amazing article of all is, that it has been the practice, for more than three centuries, to fet a price on corn; which ruins the farmer when the price is low, and yet refuses him the relief of a high price. That agriculture in Spain should be in a deep confumption, is far from being a wonder: it is rather a wonder that it has not long ago died of that difeafe. Formerly there was plenty of corn for twenty millions of inhabitants, with a furplus for the great city of Rome; and yet at prefent, and for very many years back, there has not been corn for feven millions, its prefent inhabitants. Their only refource for procuring even the necessaries of life, were the treasures of the new world, which could not last for ever; and Spain became so miferably poor, that Philip IV. was necessitated to give a currency

^{*} The following paffage is from Ustariz, ch. 96. "After mature consideration of the duties imposed upon commodities, I have not discovered in France,
England, or Holland, any duty laid upon the home-sale of their own manufactures, whether the first or any subsequent sale. As Spain alone groans under the
burden of 14 per cent. imposed not only on the first sale of every parcel, but
on each sale, I am jealous that this strange tax is the chief cause of the ruin of
our manufactures." As to the ruinous consequences of this tax, see Bernardo de
Ulloa upon the manufactures and commerce of Spain, Part 1. ch. 3. ch. 13. And
yet so blind was Philip II. of Spain, as to impose the alcavala upon the Netherlands,
a country flourishing in commerce both internal and external. It must have given
a violent shock to their manufactures.

to his copper coin, almost equal to that of filver. Thus in Spain. the downfall of husbandry, arts, and commerce, was not occafioned by expulsion of the Moors, and far less by discovery of a new world *, of which the gold and filver were favourable to husbandry at least; but by exorbitant taxes, a voracious monster. which, after fwallowing up the whole riches of the kingdom, has left nothing for itself to feed on. The following picture is drawn by a writer of that nation, who may be depended on for veracity as well as knowledge (a). " Poverty and distress dispeople a " country, by banishing all thoughts of marriage. They even " destroy sucking children; for what nourishment can a wo-" man afford to her infant, who herfelf is reduced to bread and " water, and is overwhelmed with labour and defpair? A greater " proportion accordingly die here in infancy, than where the la-" bouring poor are more at ease; and of those who escape by " ftrength of constitution, the scarcity of cloathing and of nou-" rifhment makes them commonly fhort-lived."

So blind however are the Spaniards in the administration of their finances, that the present ministry are following out the same measures in America, that have brought their native country to the brink of ruin. Cochineal, cocoa, sugar, &c. imported

^{*} Ustariz, in his Theory and practice of commerce, proves from evident facts, that the depopulation of Spain is not occasioned by the West Indies. From Castile few go to America, and yet Castile is the worst peopled country in Spain. The northern provinces, Gallicia, Asturia, Biscay, &c. send more people to Mexico and Peru than all the other provinces; and yet of all are the most populous. He ascribes the depopulation of Spain to the ruin of the manufactures by oppressive taxes; and afferts, that the West Indies tend rather to people Spain: many return home laden with riches; and of those who do not return, many remit money to their relations, which enables them to marry, and to rear children.

⁽a) Don Gievonimo de Ustariz.

into Spain duty-free, would be a vast fund of commerce with other nations: but a heavy duty on importation is an absolute bar to that commerce, by forcing the other European nations to provide themselves elsewhere. Spanish oil exported to America would be a great article of commerce, were it not barred by a heavy duty on exportation, equal almost to a prohibition: and the Spanish Americans, for want of oil, are reduced to use fat and butter, very improper for a hot climate. The prohibition of planting vines in Mexico, and the excessive duty on the importation of Spanish wines into that country, have introduced a spirit drawn from the sugar-cane, which, being more destructive than a pestilence, is

political under severe penalties. The prohibition however has no effect, but to give the governors of the provinces a monopoly of those spirits, which, under their protection, are fold publicly; a commerce no less shameful than destructive.

But this fubject feems to be inexhaustible. The filver and gold mines in the Spanish West Indies are, by improper taxes, rendered less profitable, both to the King and to the proprietors, than they ought to be. The King's share is the fifth part of the filver, and the tenth part of the gold, that the mines produce. There is befide a duty of eighty piastres, upon every quintal of mercury employ'd in these mines. These heavy exactions, have occasioned an abandon of all mines but what are of the richest fort. The inhabitants pay 33 per cent. on the goods imported to them from Spain, and they are subjected beside to the alcavala, which is 14 per cent. for every thing bought and fold within the country. The most provoking tax of all is what is termed la cruciade, being a fum paid for indulgence to eat eggs, butter, and cheefe, during Lent, which is yielded by the Pope to the King of Spain. The government, it is true, obliges no perfon to take out fuch an indulgence: but the priefts refuse every religious consolation to those who do not purchase; and there is not perhaps a single person in Spanish Spanish America who is bold enough to stand out against such oppression.

There is recorded in history, another example of destructive taxes similar to that now mentioned. Augustus, on his conquest of Egypt, having brought to Rome the treasure of its kings, gold and silver overflowed in Italy; the bulk of which found its way to Constantinople, when it became the seat of empire. By these means, Italy was fadly impoverished: the whole ground had been covered with gardens and villas, now deserted; and there was neither corn nor manufactures to exchange for money. Gold and silver became now as rare in Italy as they had been of old; and yet the same taxes that had been paid with ease during plenty of money, were rigidly exacted, which ruined all.

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