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H I N T S

TOWARDS

An Improved System of Taxation,

EXTENDING

TO ALL PERSONS IN EXACT PROPORTION
TO THEIR PROPERTY,

AND

WITHOUT ANY KIND OF INVESTIGATION OR
DISCLOSURE OF THEIR CIRCUMSTANCES.

WITH

A N A P P E N D I X,

Recommending a Plan, arising from this System, for
the Institution of a National Bank.

" If any means of taxing property, in a degree strictly equitable, could be
" discovered, of taxing it without an improper inquisition, it would
" be an important and excellent measure."

From Mr. Pitt's Speech, Dec. 14, 1797.

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1798.

H I N T S, &c.

THE substance of the following plan was sent to the Right Honourable Mr. Pitt in a letter dated the 12th of last December. No notice was ever given of his having received it, and as no attention has been paid to the principle of it, either by him or his colleagues, in the debates on the new taxes, it is taken for granted, that either he has never perused this plan, throwing it aside among the numerous schemes with which he must frequently be pestered; or, if he did condescend to give it a perusal, that he did not approve of the principle; or, that

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he saw it clogged with insuperable difficulties; or, lastly, that he was afraid it would be disliked by the monied men and those of great fortune and influence, whose opposition he did not choose to encounter.

It will not therefore, I hope, be deemed impertinent in me to submit it now to the judgment of the public. And in so doing, I can honestly declare, that I feel no mortification in the neglect with which this plan has been treated; for I am disposed to make every allowance for the labour and difficulty of his situation: and I can further plead, that those that know me, will not charge this intrusion on the public either to presumptive or factious views; as if I meant to set my judgment in opposition to his abilities and experience; or by proposing a plausible plan in opposition to the plan of the minister, I wished to thwart the measures

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of government. But as the measure seems to be the fairest principle of taxation, simple also and practicable, and requires no improper investigation or disclosure of circumstances, I lay it before the public for a fair and liberal discussion; and, if I am found to have proceeded on mistaken principles, the candid, I trust, will set it down to an ill-directed zeal for the prosperity and welfare of my country.

The outlines of the plan, which was submitted to Mr. Pitt, are the following:

- I. That there be laid an additional equal tax on all land throughout the kingdom, and at the present rental; on houses, at a reduced rental; on tithes; on shipping; on stock in trade; on manufactures, fisheries, farms, &c. regulated by

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the interest of the capital employed.

On all productive property, such as canals, mines, &c. regulated, under certain limitations, by the interest, also, on the amount of the capital.

In short, that every thing that can be called property, and where a capital is employed, be taxed, and in such a proportion as men of judgment and experience in these matters may deem to be most equitable.

II. As all money must be found either in real or personal securities; that is, either in mortgages or in bonds, notes, &c. let it be enacted, that the borrower shall be permitted,
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on the payment of the interest, to deduct from the interest a sum proportionate to the tax laid on the security, or on money in general. For instance, if the tax on land, or on stock in trade, be at one shilling in the pound, then the borrower shall be allowed to deduct 5 *per cent.* from the interest, as the share of the tax belonging to the security. And let this be accompanied also with a clause, in the Act of Parliament, declaring, that if the interest paid, together with the deduction allowed, shall exceed 5 *per cent.* that those, who receive the interest, shall be liable to all the penalties of the laws against usury.

If there be an annuity issuing from land, or on personal security,
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let the value of such an annuity be calculated, and the tax deducted from what would be the interest of the calculated value of the annuity.

III. It will appear necessary and proper, that the public funds be put on the same footing as other property, by subjecting them to a similar taxation.

IV. All salaries exceeding a given amount, and with proper limitations, will also be fair subjects of taxation. If for perpetuity, let them be taxed as land; if for life, calculated and taxed as annuities.

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V. All lucrative professions and employments, such as lawyers and physicians, should either be taxed, or so regulated in their fees and emoluments, as to contribute, in some measure, to support or alleviate the burthens of the state.

Such were the hints, that I took the liberty to submit to the minister in my letter of the 12th of last December, and nearly in the same words. There was another article, which made a sixth, of considerable magnitude, that might either make a part of the above system, or form a separate article, which I shall consider in an Appendix to the following pages.

The following explanations and remarks on the several articles I submit, at the

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fame time, to the judgment and consideration of the Public.

REMARKS ON THE FIRST ARTICLE.

Under this article I do not pretend to enumerate all the different kinds of property to which, on this system, taxation might extend. These will be discovered and regulated by those who have more knowledge and experience in this kind of business. It is certain that an extensive plan of this kind cannot be brought to perfection in the first attempt. My business is barely to state the principle, and to suggest hints; and following these up, it will be yearly receiving improvements, and be brought gradually to perfection.

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From a connected view of the whole plan, it will be manifest, that every kind of property should be taxed, and the nearer we can come at the true value of all kinds of visible property, the more perfect will be the system. For, as money upon this system will be the most correctly taxed, and to its full value, therefore all other things should be kept up to their real value, that they may maintain their proportions with the tax laid on money. I do not mean to say, that the tax on all kinds of property should be exactly the same. This would not be equitable. Houses, for instance, as being a perishing property, should not be taxed at their full rental, as lands ought to be; and neither perhaps should stock in trade be taxed so high as land. But I presume not to regulate these things: if the scheme were once determined

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mined on, it would fall into hands much more capable of adjusting their several parts.

To come at the rental of the lands, the rent roll, accompanied with a declaration, and a penalty in case of a false return, would be found nearly sufficient; as matters of this kind would be well known in the country where they were assessed, as the monied men would find it their interest to guard against all evasions in the men of landed property. A review of the rentals would be found necessary every five or ten years; and this would be attended with no great trouble after the system was once put upon a proper and regular establishment.

The value of stock in trade might be come at by a mode similar to that of the rental of the lands. A declaration of the property,

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property, subject to a penalty in case of false returns, would be almost every thing that was necessary; and cases, where there was an appearance of gross imposition, might be subjected to a particular investigation. Impositions of this kind it would be a common interest to detect and expose. But there would hardly ever be occasion to carry these matters to extremity. Their credit, their very interest, the rank that they would wish to hold in their own line, would be powerful checks to prevent men from undervaluing too much their shops, or their warehouses, or their other kinds of visible property.

With respect to exemptions, I dare scarcely give an opinion. Exemptions open many doors for frauds and evasions; and an equal and universal taxation of this kind, would require but small payments for small properties.

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properties. It is hard, to be sure, for a man of small property and a large family to pay taxes for his property; but it is a harder case still, for a man that has a family equally numerous, and no property at all, to gain a living for himself and family.

I do not say any thing about taxing the profits of the tradesman. This would discourage industry, nor can we indeed form any plan for an equitable estimation of them. The same thing may be observed of the profits of the merchant, the shopkeeper, the manufacturer, the farmer, &c. Besides, these profits, if employed to increase the capital, or in the purchase of lands, houses, or lent out in money, come immediately into the course of taxation.

REMARKS

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REMARKS ON THE SECOND ARTICLE.

This is the article undoubtedly of the greatest importance. By the operation of this you tax every shilling of money, and without the smallest danger of disclosing the circumstances of any person. It is rather in favour of those that are embarrassed in their circumstances; for if their debts exceed the amount of their property, they are enabled to pay all their taxes, and get something, at the same time, into pocket; and the collectors of the tax remain totally ignorant of all their concerns.

There will be found, I am sensible, some cases where there may appear to be a small defect in this plan. If you lend money to a man who has no visible property, here your money is taxed by this regulation, and the tax allowed to a man by whom no

taxes

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taxes are paid on his own account. But, if that man has money in the funds, or money on mortgages, bonds, &c. he pays more than he has a right to do, and the deduction of the tax, on the interest due to you, is restoring the balance in his account. But if he has neither property nor money, you are only helping to push him forward in the world, to put him in the way of acquiring property, and to contribute in this manner to the benefit of the state. But the cases are so few of lending to a man without any kind of property, and the sums are so small, that we may charge them to the account, either of benevolence or folly in the lender, rather than to the loss of the public.

In a subsequent letter to the minister, dated the 20th of December, with regard to this second article, I took notice, that the
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same object might be attained in a different way, that is, by reducing the legal interest in proportion to the taxes on other property. At the same time I took the liberty to observe, that the reducing of the interest appeared not so eligible, from several considerations. It would more alarm the monied men; whilst, at the same time, the people in general would not so easily see how money contributed to the taxes. But the most objectionable part applies to those cases where the security is good and the interest regularly paid. In those cases people are willing to take less than the legal interest; and would be, at the same time, well disposed to allow a deduction from the interest, for their proportionate share of the taxes. This they would do, for the sake of eligible securities and regular interest. But if an act were to
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pass for reducing the legal interest, such lenders would not think themselves obliged, particularly when money is scarce, to make any allowance to the borrower when the interest they received was still below the legal interest.

By attending to the principle of this second article it is clear, that excepting in the funds, money cannot be taxed separately, and that there is no occasion for it; and that the visible property in the kingdom is all that can be called property: for all the money must be found, either in land or in personal security. Tax therefore all visible property, and by following this proposed plan, you come at the same time at all the money.

REMARKS

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REMARKS ON THE THIRD ARTICLE.

In opposition to this part of the plan it is argued, that the public faith is pledged, that funded property should not be taxed. I know this to be the case, and this engagement hitherto has been held sacred. But times are now changed, and greatly changed, since the first of these laws was first past, of which the succeeding have been only copies. And this change is now so extraordinary, that, in a short time, it will require the whole property of the country to prop up the funded property. The spirit of wise laws ought to follow the circumstances of the times. If former laws, by experience, are found to stand in opposition to the general welfare, and even the safety, of the state, let them immediately be repealed. *Salus populi suprema lex est.*

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No act of parliament can ever make, that which is fundamentally wrong, to be right; or change into propriety that which is an absurdity. And I have great reason to believe, that the great bulk of the stockholders will most cheerfully release parliament and the public from this obligation, for the sake of obtaining such a security to their property as a system of solid and universal taxation would produce. This would create no depression, but instantly raise the funds. What they lose in interest, they would gain in principal and in security.

These laws are virtually repealed by several acts of parliament. I need only refer to the very late act, just now passed, for increasing the assessed taxes. In the scale for modifying the assessment according to property, no notice whatever is taken, no distinction whatever is made of property arising

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arising from the funds. Many hundreds in the kingdom, of ample fortunes, have no other property but what is vested in the funds. Will they therefore be allowed to plead, on the principle of these acts, "that the funds are not liable to pay taxes, and that, therefore, they insist upon the right of being exempted?" Or are they to be interpreted thus? They are not to be taxed in the bank; but the moment the money crosses the gate of the bank, it becomes subject to every kind of taxation. The absurdity is glaring, and cannot be maintained. If therefore we have made a breach of new laws in several instances, let them be repealed, and no longer stand in the way of the protection and security of the nation.

But to state necessity and the safety of the nation all acts of parliament and all

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laws must bow down. Many instances can be produced, where declarations as sacred and binding have been broken through, when the necessity of the state demanded the sacrifice. In the last war, when the combined fleet rode triumphant in the channel, the act which exempts from the impress the three years apprentices, was suspended in a single sitting, I believe, and a number of young men who had embarked under the faith of an act of parliament, were deprived of their liberty, because the salvation of the state required the sacrifice. The measure on this principle was not only justified, but highly approved. Do we wish to wait till the necessity become more urgent? We may wait too long. Let the enemy land, and we would be content then, to give not only the half of the interest, but the half

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of the principal also, and esteem it a very favourable composition.

Would it not then be highly wise and equitable for all property to make one common cause; to come forward in one strong column, to meet the difficulties of the state, and to resist the common enemy?

Partial taxes, the taxing one kind of property, or one description of persons only, cannot fail to create ill humours and murmurs in those persons particularly aggrieved. To see the monied man, cooped up in his small house, without either equipage or servants, sharing in none of the common distresses and burthens of the nation, must irritate the landed interest, the tradesman, the manufacturer, and the gentleman, who living agreeable to his fortune, contributes so largely to the support of the nation.

Nothing can so effectually tend to silence

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murmurs, to subdue the spirit of the disaffected, and to unite all in the interest and support of our excellent constitution, and in the defence of our dear native country, as to see all contributing, each according to their property, towards the necessities of the state. And this never can be effected so long as this unjust and unwise maxim is maintained, that the funds cannot be taxed.

Let this property be secured, as in fact it is, by a mortgage on all the other property of the kingdom; but it is unreasonable that it should enjoy any other exclusive privilege.

REMARKS ON THE FOURTH AND FIFTH ARTICLES.

Both of these articles I wish to be considered as offered, with a considerable degree

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degree of diffidence, and as subjects that will require much thought to settle with precision, and ought therefore to lie open to a free and candid discussion.

If salaries are given for meritorious services, and only during life, perhaps they ought not to be taxed. A parliamentary inquiry should be directed to all salaries: let them be sufficient; let them even be liberal, but not exorbitant. But those salaries and pensions which are perpetual, and partake of the nature of freeholds, if they cannot, in justice, be reduced, they are most certainly fair subjects of taxation.

The taxing lucrative employments and professions might tend to discourage the exertions of industry and genius. If those that are in possession of them live up to the extent of their incomes, they are diverting their property into other channels,

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where it may be caught by some kind of taxation. If, on the other hand, they are accumulating money by a frugal and parsimonious life, then we get hold of them, either in money, land, or in some other kind of property.

GENERAL REMARKS.

The above scheme of universal taxation, unless I be grossly imposed on by my own imagination, seems perfectly practicable; and, as it extends to all persons, in proportion to their property, is likewise, on this account, altogether unexceptionable. Each person will contribute to the protection of the whole, in the direct proportion of the risk that he has at stake.

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It tends to simplify, also, the intricate science of finance; and when the scale is once established, it may be increased or diminished, exactly according to the exigences of the state. And whatever supplies are wanted may be soon raised, and without any experiment, on this certain and tried principle.

It will be the easiest also, and the cheapest, in the collection. It would give an opportunity of repealing a number of troublesome and unproductive taxes; and let me add, it attaches itself to property, not to expenditure.

In the science of taxation there are some fixed principles that ought invariably to be adhered to; such as, to make taxes bear as equal as possible upon all, according to their circumstances; not to discourage industry; not to injure consumption

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sumption, unless such consumption as proves hurtful to the subject.

Most systems of taxation have been found extremely partial, and in many cases highly oppressive. The minister who first introduced the tax on houses and on windows, laboured under a most egregious mistake, if he believed the house one lives in, and the number of his windows, to be the certain indications of his property. This tax is not only unjust in its principle, but such kind of taxes lead to deform the beauty and to destroy the symmetry of buildings, and, when carried to their present excessive height, act as a complete death-stroke to a numerous body of workmen.

Subject to the same objection, I might also mention taxes upon fashions. These are exposed to a thousand evasions. Such

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is the tax on hair-powder. There is, in the first place, a large and opulent body of people, who, upon principle, set their face in opposition to every fashion; and therefore cannot be reached by such taxes. Ought they therefore, on that account, to be exempted from contributing their share towards the defence and protection of the country? Others again, from factious and disloyal principles, rejoice in an opportunity of shewing their opposition, by flying from the fashion, and labouring to establish a fashion in opposition to the former. It is not politic to afford to them such a triumph; and, at the same time, to subject the well-affected to a severe mortification. All taxes must be pitiful and unproductive that fix upon subjects that can be so easily evaded.

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Again, the minister has been often called upon to tax luxuries, such as carriages, clocks, watches, &c. and yet, perhaps, no tax can be more injudicious. Many thousands of people, in this rich and commercial nation, are entirely supported by the preparation of luxuries. Such taxes not only make people pay high for the use of luxuries, but we are taxed again, and more deeply, to support the workmen driven to a state of starvation by the fatal operation of such taxes.

I have yet to notice another great error in taxation, the carrying a tax on proper subjects to an extravagant height. Such taxes check the consumption of such articles; and not only prove unproductive in this last stage, but reduce, at the same time, the former revenue. I might exemplify this remark by the exorbitant duty
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on wines, on newspapers, and even on almanacks.

Having offered these remarks on different modes of former taxation, I have now to add, that the idea of aiding the supplies by voluntary contributions, is liable to a variety of objections, can never become general, and therefore must prove finally unproductive. Aids of this kind will come in slowly, and with much reluctance. They will be extremely partial, and will be withheld from various and different motives; some will withhold their contributions from pretended religious scruples, some from affected detestation of war, some by arguing that the present war was unnecessary, some by condemning the manner in which it has been conducted, and some from a disapprobation of the minister and all his measures. *Thus a very large
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and opulent body of people, under various pretexts, will endeavour to conceal the meanness of their spirits, their hatred, or their disaffection. Surrounded with people of this description, the sincere lovers of their country, and those well-affected to its excellent constitution, cannot come forward with that zeal and effect which the importance of the cause and the situation of the country demand. It is painful to stand in the gap for others of equal or greater ability. It is discouraging to every laudable exertion, to see those who contribute nothing, enjoying the same benefit and the same protection as any voluntary subscriber; and to feel them, not secretly, but openly, insulting your patriotism, and ridiculing the cause you are supporting.

The time for paltry and trifling taxes is past: nothing is now left for the salvation
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of our country, but to come forward, without fear or favour, with a strong and productive tax, extending to all persons, according to their property. This will cut off all evasions: this will equally comprehend the miser and the spendthrift: this will suffer no distinction between the loyal and the disaffected: this will bear down the voice of the murmurer and the seditious; and nothing will prove more effectual to reduce an insolent enemy to reason and moderation, than to see our finances established on this firm and broad foundation.

APPENDIX.

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APPENDIX.

BESIDES the different kinds of property enumerated in the first article, there is a certain description of property or trade in the kingdom, which the preceding system does not comprehend; nor can I devise any plan, so to comprehend it, as to make it a subject for taxation. This property or trade is the banking business.

The great number of country banks established in almost every part of the kingdom, is in some measure necessary, in aid of commerce, and to favour the adventurous spirit of individuals, by supplying the deficiency of cash with paper currency. But that this increasing spirit of banking might be directed to the benefit of the nation, must be the ardent wish of every person

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person not immediately interested in any of the schemes of the country bankers. Were the above system of universal taxation to be established, it would furnish us with an exact account of the property of each county, and would direct to a plan for the establishment of a national bank.

For after parliament, by proper inquiries and documents, have determined what quantity of paper currency may be thought sufficient to supply the demands of the kingdom, let this be divided among the subscribers, into so many shares of value each, and these shares distributed among the several counties or districts of the kingdom at large, in proportion to the amount of their taxable property respectively; and let the shares belonging to each county be secured upon landed property in that county; and let the landed

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property assigned for the security of such shares, be registered, and that register published. Then let banking houses be erected in each county town, and from the county towns branched out into the several large towns of the county, according as circumstances may require; and all connected with one another, and dependent upon the metropolitan bank in London.

Then let a certain rate of the profits, suppose we say 5 *per cent. per annum*, be divided half-yearly among the proprietors; and let the surplus, in some given proportion, be shared between the proprietors and the nation.

REMARKS.

The present country banks will be a good guide to direct where branches of the national

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national bank should be established. The number of banking-houses cannot be regulated by the property of the county, but rather by the progress of trade and manufactures in each county; and every town, by the spirit of country banking, has already been searched out, where such establishments would be proper.

The propriety of establishing a national bank will appear from several considerations. Parliament certainly must interfere, one way or other, for the regulation of the country banks, to prevent in due time some violent convulsion in the nation. At present all is quiet; but this is no proof of their stability. The late act allowing a greater latitude to the paper currency, and preventing the bank of England from paying in cash, has extended its beneficial effects to the country bankers, and must

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help very much to increase their profits. But as soon as, upon the return of peace, money matters begin to flow in their usual channel, we will find, that many of them will be brought to a full trial of their strength. Now, therefore, is the proper time for the interference of parliament, to regulate such things, or to put an entire stop to them by the institution of a national bank.

All subjects are prohibited from establishing lotteries and from coining; to which of these the trade of banking belongs, or whether it be a mixture of both, may not be easy to determine. Banking, in one sense, is coining, and even much more beneficial. If they are permitted to emit their paper currency to any amount, and can contrive to keep it in circulation, it must be a most lucrative employment.

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And in the manner it is now carried on, it is not in the power of common tradesmen, or of the middling class of people, to put a stop even to suspicious houses. A trade therefore that lives upon the credit of the country at large, should certainly be converted into a public benefit. And there is good reason to believe, that a national establishment of this kind might be productive of very great national advantages.

For, if it be a beneficial trade to private adventurers, we may calculate, that it would produce much more, upon the proposed extensive scale, supported by the very best of credit. The banking houses might be very much reduced in number; for the management would be much easier and much less expensive. National notes, when once emitted, would have a very wide circulation, and would very seldom be
returned

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returned to the banks, as their validity would be unquestionable. Whereas, in the country banks, a great part of the employment of the principals and their clerks is the emission of notes, the forcing them even into circulation, and receiving and exchanging such as are brought in for payment. There is a certain circle within which every country bank is confined; when their notes wander without their own limits, they are picked up as vagabonds, and returned with expences on their heads to their respective houses. This creates much business, and at the same time much expence. If, with all these limitations and disadvantages, this proves a lucrative employment, the profits of a national bank must rise in a manifold proportion.

Besides, an establishment of this kind would be of infinite advantage to trade and commerce.

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commerce. As all the several branches are connected with one another, it would greatly facilitate the transmission of money to the different parts of the kingdom, and render all money transactions of this kind both safer and less expensive. There would be no imposition on the tradesman and merchant, because all such business would be governed by fixed and well known rules, under the authority of parliament. I might add, that the nation would, from such an institution, not only derive a large revenue, but a revenue of such a nature as to be of the greatest benefit to those that pay it.

The chief objection to this establishment must be its interference with private property, and depriving a most respectable body of men of a very lucrative employment. This objection, I think, is sufficiently answered in the preceding remarks, particularly

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particularly by the evils that must arise from the unlimited emission of paper, and often by persons in whom the country cannot have sufficient confidence. It is answered, by saying, that it is the exercise of a privilege, that ought not to be granted to any private person, to live thus on the credit of the public. But I have further to observe: let such of the present country bankers as can give the required security have a preference in the distribution of the shares of the national bank; and those who cannot give this security, it is extremely proper, should be debarred from this benefit. A share in the national bank must, in general, be full as lucrative, and full as respectable, as any benefit or consequence that can be derived from a country bank, in their present situation.

THE END.

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SUPPLEMENT,

Containing Strictures on the Criticism of the Monthly Review; and Observations on that part of the Bishop of Llandaff's Address, which comprehends his Scheme of Finance.

THE preceding plan has had the misfortune, in some instances, to be grossly mistaken or wilfully misrepresented. The mistakes may have arisen from obscurity in the delineations, or from inattention or ignorance in the reader. The misrepresentations must be owing to a worse cause, to prejudice, or to a determined opposition to every well meant endeavour to serve the Country.

The Monthly Review for February gives the following account of it:—

“The Author recommends in general terms, what has been suggested in the same vague way a thousand times, to lay an equal tax on all property.”

Then follow in the Review, the Outlines of the Plan, as contained from page 3d. to 7th.; to which are subjoined the following remarks:—

“With respect to the first Article, it would be impossible to lay a tax on any of the subjects mentioned, without a severe investigation and disclosure of pecuniary circumstances, contrary to the promise of the title page. The scheme in the second section would augment the difficulties, which men of commercial adventure find in borrowing money, and on
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"future loans the state would be little benefited by the project. As to the propriety of taxing the Public Funds, it is a very delicate question: but whether it be just or not, we may almost venture to predict, that they will ere long be taxed in some shape or other. The fourth proposal is two or three centuries old, and is in some degree adopted. The fifth is extremely unjust. The fees and emoluments of professional men must decrease with the fortunes of their employers, and it would be cruel to lay any tax on the remainder. Indeed a tax on property ought not to touch the income, that arises from professional labour. A lawyer or physician has no capital but his knowledge—his income cannot be estimated, like what proceeds from lands or houses, at so many years', or so many months', purchase—and the only contribution to be fairly expected from him, is had by the taxes on expenditure. The situation of a benefited divine is indeed different—his living is a capital and may justly be taxed, as such, according to its peculiar circumstances."

Now, if I had not had so many opportunities of witnessing sometimes the ignorance, frequently the carelessness, and very often the stubborn prejudices of Reviewers, I should have been very much surprised at the above criticism. I took however the liberty to send the following note, addressed to the Editor of the Monthly Review.

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PERMIT me to offer some remarks on Art. 35 of your Review for last month, *Hints, &c.*

As the Author of that Pamphlet had neither interest nor fame in view, but the real good of his Country, in offering

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offering that scheme for the consideration of the Public, he wished for nothing more than an intelligent and candid discussion of its principles.

You set out with observing, that "the Author recommends in general terms, what has been suggested in the same vague way, a thousand times before."

That it is not recommended in a vague or general way, the very articles that you have given to the Public, clearly evince. The mode is specific, and so far as the Author knows, is perfectly new; and perhaps the only mode of equitable taxation that can be devised. And the plan is certainly carried as far as the Author promises by *Hints, &c.*

You continue to observe, that "with respect to the first Article, it would be impossible to lay a tax on any of the subjects mentioned, without a severe investigation and disclosure of pecuniary circumstances."

I beg you would read this Article over again, and you will find but a weak foundation for the triumph you assume.

I submit it to the judgment of any man of common understanding,—*Is it impossible* to come at the rental of an estate, or a house, at the value of any stock in trade, or in short, at the value of any *visible property*? — This is all that is wanted. You have no concern whatever with the pecuniary circumstances of the *ostensible* owner. His debts may be equal to his visible property. He is called on, in the first place, to pay taxes for that visible property; and the second Article allows him to reimburse himself, if he have paid too much. If he owe money, he is permitted, when he pays his interest, to deduct from the interest such a sum

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as may be proportionate to the tax laid on money.— Now all this is transacted, without any person becoming acquainted with the pecuniary circumstances of the party concerned. Where then is the forfeiture of the promise in the title page?

You say, that "the scheme in the second Section "would augment the difficulties, which men of commercial adventure, find in borrowing money." This I will grant, would be the case, if the money-lender could find any new resource for his money. But if money, on all kinds of security, and the public funds are to be equally taxed, where would be the increased difficulties to commercial adventurers?—Where could the monied men dispose of their money?

What you add with respect to future loans, may be answered in the very same manner, with this addition, that the adoption of such a plan would supersede the necessity of future loans. Besides, your objections will extend to the taxing of money in any form, not aware of what you add by way of *prediction*, "that the funds "will ere long be taxed in some shape or other."

Had you read the Pamphlet throughout and the remarks of the Author, you would have seen the futility of your criticisms on the fourth and fifth Articles.

It appears then, I think, extremely plain, that the person to whose hands you committed the review of that Article, either never understood the plan, or has grossly misrepresented it in every point. The Pamphlet itself may be of no great value, but the subject is of the highest importance.

Candour and justice, and a regard to the credit of your Review, require you to insert the above observations. I need

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I need scarcely add, that this comes from the Author of *Hints, &c.*

Thus far did I remark on the criticism in my letter to the Editor. The latter part of the criticism, I am free to confess, I did not understand. The sentence which begins, "The fees and emoluments," I could not tell what to make of it. The comparison between the Lawyer, Physician, and Divine, is equally unintelligible, as *applicable* to the present subject. A Clergyman has no more but a life estate in his benefice: and the only difference in this respect, is, that the Lawyer's income is more precarious, with respect to health and fame, than the Divine's; but this seems not to be the distinction to which the Reviewer refers. How he may explain himself, I cannot say. But waving all this, the comparison is ill chosen and inapplicable, because the benefice of the Divine, in the plan proposed, must be taxed, the Lawyer's cannot!

But to proceed. Instead of inserting the remarks that I sent, either in full or in part, the Reviewer gives what he calls an answer, in the correspondence for March, and of which the following is a copy.

"In answer to the remarks of the Author of *Hints, &c.* we beg to observe, that a general tax on property has been repeatedly proposed, and that he does nothing more than enumerate several species of property, to which such a tax might apply." Nothing can be expressed more vaguely, than this sentence. "In short, that every thing that can be called property "and where a capital is employed, be taxed, and in "such a proportion as men of judgment and experience in "these

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"these matters may deem to be most equitable." If the Author intended to have been *specific*, he should have told us what was the most equitable mode of arranging these complicated concerns. We do not deny, that the plan may be new *as far as he knows*; but we can assure him, that we have hardly ever read a treatise on finance, in which something has not been said of a tax on property. If the writer was acquainted with the difficulties, that occur at first, in apportioning and collecting the simplest of our taxes; he would not suppose, that an equitable impost could be laid on stock in trade, manufactures, fisheries, farms, &c. without a severe investigation of the circumstances of the owners. In many cases, a fair impost of this kind would be impossible, as the profits from which it would arise are fluctuating and uncertain, and dependant on circumstances, which the most despotic collector would not be able to discover; and which are not always known to the person most interested in them."

"The Author greatly mistakes, in supposing that we *assumed any triumph over him*; our only purpose was to make our readers acquainted with his trite proposal; and our only apology is to them for having said so much to prove, what must have appeared evident to them all."

That the Public might have been enabled to form a proper judgment, the Reviewers ought to have inserted my remarks on their criticism; and this might have been done in a compressed form, in as little space as they have occupied with their answer. From their answer, I am sure, no man could form any conceptions of

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of the remarks of the Author, for there is not a single particle of the answer that applies. It is nothing more but a pitiful evasion of the question, accompanied with an affected contempt of the Author.

The Reviewer says, that "the Author does nothing more than enumerate several species of property, to which such a tax might apply." Now this he has in the Pamphlet publicly disclaimed (*see page 8*), nor did it fall within his plan, only it was necessary for the explanation of his plan, to say that property of every kind ought to be taxed; and for the illustration of this, he *has* enumerated several kinds of property.

The Reviewer again says, "that if the Author intended to have been specific, he should have told us the most equitable mode of arranging these complicated concerns." Now this he actually has done, or at least pretended to do. He has *proposed a plan* for arranging these complicated concerns. And, if the Reviewer *intended* to have been *honest* and *intelligent*, he should have pointed out the advantages or defects of that plan. But this, which was the main object of the Pamphlet, he has never so much as mentioned. All the other parts are only subservient to this. This plan is contained in the second Article, and explained more fully in the Author's remarks on that article. It contains the plan for taxing money as connected with other property; the only mode perhaps for the equitable taxation of money; and, by the proper management of that, you regulate the tax on every other kind of property. And yet this the Reviewer has never seen, or never understood, though he, or his Printer, has copied the Article into the Review.

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For the sake of the Public I could wish myself to be fully understood on this Article; and yet I know not how to add any thing, to what I have already stated, to make it plainer. But let me try. The only thing, then, that can be taxed in the first instance is visible property, such as land, houses, stock in trade, &c.: and upon the supposition that each person's visible property were clear of debt; that there were no borrowed money in the kingdom; then the visible property would pay the whole taxes. Borrowed money, therefore, wherever found, is a deduction from the value of the visible property, and consequently the tax, that it pays, ought to be paid to the borrower. The visible property pays to Government: money pays to the borrower. This is the principle upon which the preceding plan is founded. Tax all visible property as if clearly belonging to the ostensible owner, and by allowing the borrower to retain a proportionate share of the interest, you will thus regulate his taxes, and restore to him what he has overpaid. — But I will endeavour to illustrate this still further, by applying the principle to a particular case. Some of the most candid and intelligent objectors to this plan, mention the case of taxing stock in trade. Suppose then that the Shopkeeper delivers in upon his declaration or oath, that the capital employed in his trade is, at an average, throughout the year, about £5000; a tax is levied upon him in proportion to this capital. But this declaration does not oblige him to say whether the whole capital employed, be his own money or money borrowed. Therefore so far there is no disclosure of his pecuniary circumstances. But if there be a considerable part of this money borrowed, by this scheme he is allowed to deduct from the interest, when it is paid,

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paid, a sum equal to what that money should pay. — Suppose the borrowed money be £2000, therefore by retaining the tax on £2000, he in fact pays taxes for only £3000, which is all that he has of his own property in trade. This then is the Author's specific mode of arranging these complicated concerns, which the Reviewer could not perceive. — This plan I think is in the first place simple; perhaps too simple to attract notice: and I believe it also to be as complete, as the nature of the subject will admit of; for it follows property through all its changes. If this Shopkeeper next year have paid off some of his borrowed money, then he has more property of his own in trade, and consequently pays more taxes. If on the contrary, he have been unfortunate in business, but still keeping up his stock, he be under the necessity of borrowing more money; that additional sum that he has borrowed pays for itself, and consequently he pays a smaller tax on his own account, because his property is less.

Another objection has been started on this very Article by alledging, that the same property passes through a variety of hands, during the same year; and that it is unjust to tax it at every stage of its passage. But this objection is founded on a misconception of the scheme. The visible property found in the possession of any man is the standard to estimate what he is worth. It is not taxing this or that particular property, but a mode of coming at the real property of any individual and taxing him accordingly.

I will now repeat what I advanced before in my remarks on the Reviewer's criticism, that the plan so far as *the Author knows* is perfectly new. And I will thank the Reviewer to say, when and where he ever found

found the same plan mentioned. But observe the pitiful trick he employs. "We can assure him we have never read a treatise on finance in which something has not been said of a tax on property." I thank you, kind sir! for your information. Therefore, because I propose that all property should be taxed, there can be nothing new in the plan. The novelty of it, I must repeat, does not consist in *this*, it is the mode of levying the tax, that I say is new. But this Mr. Reviewer never saw. Whether and I to set down this to ignorance or wilful misrepresentation? Either bears hard on the character of a Reviewer. To him I say

I beg pardon for saying so much on the novelty of the plan; it has been extorted from me, by the remarks of the Reviewer.

After this, the Reviewer wanders after stock in trade, manufactures, &c. and says that "these cannot be taxed without a severe investigation of circumstances." But observe he has left out *pecuniary*. This is perhaps a hole to creep out at: for the assertion is more qualified than it was in his criticism. But I will give no answer to such obstinate or ignorant assertions. But to load me with difficulties of his own creating, he says "the profits of such things are fluctuating and uncertain." I have nothing to do with the profits; this is fully explained in the Pamphlet.

But to be drawing towards a conclusion in this point. The plan, I must ever believe, is the most equitable; perhaps attended with as few difficulties as any other plan; and though it may not be in my power to point out the very best way, how each particular part may be carried into execution, yet that can be no objection to the plan in general.

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I will venture then, in spite of Mr. Reviewer's rebukes, to make use again of that vague sentence. *In short, that every thing that can be called property and where a capital is employed be taxed, and in such a proportion, as men of judgment and experience in these matters may deem to be most equitable.*

You ought now, I think, to make another apology to your readers, for the gross imposition you have practised upon them, by your ignorant or wilful misrepresentation.

A Review conducted with knowledge, by men of independent minds and fortunes, and uninfluenced by any kind of prejudice, would be a great advantage to literature; but when it falls into the hands of ignorant men, becomes strongly tainted with prejudice, and directed by a party spirit, it becomes a nuisance to the public.

But from the Reviewers, let us pass to a more worthy subject.

The excellent address of the Bishop of LLANDAFF, I have always considered as extremely seasonable; and by its animated eloquence well calculated to rouse the spirit of our countrymen, to resist the common enemy, and to allay the fears of the desponding. We see in it a warm love for his Country, and a noble zeal for his Religion; and the rapidity of the sale may be regarded as an earnest of its good effects. But as the errors of great and popular men are liable to do the most mischief, it may be no improper duty to endeavour to correct some mistakes, into which this able writer has fallen.

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The first false position he has advanced is towards the beginning of his address, where there appears a laudable zeal for paying off the national debt, as one of the best means for extricating us from our present difficulties. By his reasoning on this part, he seems to think, that, by paying off the funds, we not only get quit of the debt, but absolutely extinguish so much property. This can never be the case without a National Bankruptcy, which God forbid! The property will remain still, in some shape or other, when paid off. Here is a case, where it is much easier to create than to destroy. The Bishop observes, that a good part of his little property is in the funds. When the national debt then is paid off, does not he expect to receive some equivalent for this property? and so does every other stockholder. Were it then possible to pay off the national debt in the manner he prescribes, it would set afloat, all at once, an immense quantity of property; and the effect would be dreadful. It would sink immediately the value of money, and raise all other kinds of property, and would perhaps be one of the greatest evils that could befall us. Besides, as a vast number of foreigners are stockholders, it would drain the Country of every shilling of specie. The members of the community would not be proportionally reduced, as he seems to think; and the distinctions of property would be still the same, but accompanied with much greater evils. The monied property would sink low indeed: all other property, but particularly the landed interest, would acquire an extreme ascendancy.

Again, the Bishop seems to think, that no evil could arise from the disclosure of property. In the first place, I believe there are very few, even in good circumstances, who would wish, that all the world should know

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know the extent of their property; and the evil, arising from a general disclosure, in this adventurous Nation, would be incalculable. It would effectually destroy the animated exertions in trade and commerce, and every kind of manufacture and improvement. And though it might arrest much sooner the villain and the idle speculator, yet this would be of no value, in comparison of the flood of evil it would pour on these Lands.

But were even the principle without objection, yet his plan for taxing money would be vastly defective.—Were even every mortgage and bond to be registred, this would still be insufficient. The money, that you lend would pay; the money that you borrow must pay also. Suppose I have £10,000 in the funds, and owe £5,000 on mortgage or other securities, I must pay my taxes for my funded property, and the person to whom I am indebted £5,000, must also pay his taxes; so that in fact I pay taxes for £5,000 more than I am worth. Upon the same principle, if I have an estate rented at £2,000, and pay for money borrowed on that estate £1,500 *per annum*, the estate pays taxes for £2,000, and the borrowed money for £1,500, which is, all that £1,500 more than is equitable.—Money never can be taxed by itself. It is always to be found in some other property, and can only be taxed there. I must therefore take the liberty to say, that the only fair and equitable mode is that proposed in the second Article; and which has this eminent advantage, that it is effected without any kind of investigation or disclosure of circumstances; that it furnishes us with a principle, by which all other taxes may be regulated; and that it enables us to follow property through all its changes.

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It appears to be, at present, the wish of the Nation, that property in general ought to be taxed. This has been repeatedly called for, in some late addresses to the King from several populous and opulent towns; and very lately from a respectable County Meeting: several Members of Parliament have also declared themselves in favour of this system. And yet (which is a paradox) this system of taxation, in itself so equitable, will meet with almost universal opposition, when it comes to be applied to people of property. All men approve of the principle in the abstract; but they shrink back from its particular application, each labouring to screen that property, in which he himself is chiefly interested. The landed property say that land is already sufficiently taxed. Those that have only stock in trade, expatiate on the injustice of the principle, when applied to them. The monied men argue, that money is an unstable and fluctuating property:—and, the stockholder pleads the faith of the Nation, as pledged for his exemption.

Thus the farthest, that men in general can go, is to murmur out some slight approbation of the fairness of the principle, or to pass over in silence, what they cannot honestly condemn. It is not then to be expected, under these circumstances, that any Minister will venture to bring forwards an equitable and fair system of taxation, with the whole weight of the property of the Nation against him. He seems to be compelled to go floundering on, among houses and windows, and horses and dogs; entangling himself, and puzzling the Country; opening at the same time such gaps for evasion, that this monstrous assessment, after bearing hard upon a few individuals, is frittered down almost to nothing. Then close upon the heels of this, he comes

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peddling forward with his salt and his teas; a measure which bears nearly equal on the prince and the peasant.

These pitiful systems create a constant struggle between the Minister and the People. He is every session racking his invention for subjects of taxation, and the other labouring as strenuously to evade. And when the Minister rises high at the one end of the beam, he is equally depressing the other. The increased assessment on houses and windows, has in some instances been productive, but at the same time partial and oppressive: but mark the consequence: a great number of windows is blocked up all over the Country, so that the old taxes must feel a very sensible reduction. This always will and must be the case. Voluntary contributions, even in the present alarming state of the Country, produce but a trifle: the next year they will produce still less; till at last they will dwindle into nothing.

The salvation of the Country demands a firm and manly system of taxation, extending to all property: and if this could not effectually silence all murmuring as to the principle of taxation, it will, however, render murmuring unreasonable, and, I hope, ineffectual.—Men must be compelled to support their own interest, and to preserve themselves and their property from the fangs of an insolent and rapacious enemy; and whose avowed principle now is, not to fraternize, not to give liberty; but to reduce by conquest; for they have already divided the spoil.

