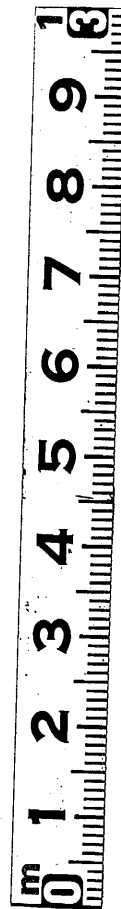


92-25



T R A C T S

ON SUBJECTS OF

NATIONAL IMPORTANCE.

- I. On the Advantages of Manufactures, Commerce, and Great Towns, to the Population and Prosperity of a Country.
- II. Difficulties stated to a proposed Assessment of the Land Tax: And another Subject of Taxation proposed, not liable to the same Objections.

By the Rev. JOHN M'FARLAN,

D. D. F. R. S. SCOTLAND:

And Author of the Inquiries concerning the Poor?

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T R A C T S

ON SUBJECTS OF

NATIONAL IMPORTANCE.

ADVERTISEMENT.

THE following Tracts were lately read before the Literary Class of the Royal Society in Edinburgh. As the Subjects of them are important, and as the Author presumes in several Particulars to differ from the Common Opinion, he has been advised to publish these Thoughts on them, which are supposed to be new. If they shall be found worthy of Notice, a few more Essays on Subjects of a similar Nature will be added to them.

TO THE RIGHT HONOURABLE
HENRY DUNDAS,
OF MELVEN,
TREASURER OF THE NAVY,
ONE OF HIS MAJESTY'S MOST HONOURABLE
PRIVY COUNCIL,
AND
KEEPER OF HIS MAJESTY'S SIGNET IN SCOTLAND,
THE FOLLOWING TRACTS,
ARE MOST RESPECTFULLY INSCRIBED,
BY THE
AUTHOR.

ON THE
ADVANTAGES, &c.

IT is an object of the first importance, to know wherein the real strength and political greatness of a nation consist. This being ascertained, it will be less difficult to discover the means by which they may be advanced and maintained. This subject has been already considered by a number of able writers; but in so wide a field some gleanings are still left. Some parts will admit of elucidation; and it is not detracting from the merit of the wisest, to suppose that they have fallen into mistakes which may be rectified.

That part of it to which I confine myself, in the following pages, is an attempt to shew, that manufactures, commerce, and great towns, produced by them, are not so hurtful, as some have
B supposed

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supposed, to the welfare of a nation; further, that, in an advanced state of society, the evils arising from them are more than counterbalanced by their attendant advantages. If I succeed in the attempt, the subject will require no apology, when it is considered that some political writers of the greatest celebrity have affirmed their hurtful tendency, while others have viewed them in the most dismal light, as ruinous to a country.

I begin the subject with some previous general observations.

The strength of a nation does not consist merely in the number of its inhabitants, nor in the abundance of its wealth, or superfluous produce. History affords many instances of the most populous, and of the wealthiest nations becoming a prey to an inconsiderable number of poor, but warlike invaders. The strength or greatness of a nation seems to be in proportion to the number of its industrious and virtuous inhabitants, who find themselves interested in supporting and defending the country to which they belong. Taking this for granted, the next object of inquiry is, what are the most effectual means of increasing the numbers of a country, and

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and of preserving the virtue of its inhabitants? It is affirmed, and generally allowed, that an equal partition of land, with a good government, affording the most perfect security of liberty and property to individuals, will most effectually promote population, and inspire the growing multitudes with love to their country.

In proof of this it is observed, that where there is an unequal division of land, and large tracts of country are in the possession of a few individuals, this will either produce a depopulation, or prevent an increase of inhabitants. This will appear, when it is considered that it is the interest of such proprietors to study how their lands may yield them the greatest return, at the smallest expence. They employ, therefore, no more hands than are absolutely necessary to cultivate their ground, to whom they pay the lowest wages at which they can be procured. In this view it is the same thing whether their lands be let out to tenants, or be under their own immediate management. If they be let, it is generally at the highest rent that can be got for them; in which case the tenants are no better than servants, who cannot be turned out of their service for a certain term of years, but who gain no more by stock and industry than repays their

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expenditure, and affords them a scanty subsistence. Instead of a numerous and hardy race of yeomanry, the country is thinly peopled by a few dispirited peasants, little raised above those in the most servile state. Livy remarks, with some astonishment, that those parts of Latium, which in the earliest times of the republic produced such mighty armies, should in the time of Augustus be inhabited only by a few slaves, employed by the richer citizens of Rome.

It is much happier for the country, where an industrious proprietor cultivates his own little lot of ground. When it is his own he looks at it with pleasure, and whatever he does for its melioration is done for himself. No haughty lord can expel him from his possession, or share the profits of his labour. Being affluent in his station, he can afford to rear a family, though not in luxury, yet in ease and plenty. This equal division of property existed not only in the earlier days of Rome, but in the time of her greatest real strength and virtue. It is recorded that Marius Curius Dentatus, who was consul in the year of Rome 463, said he was a dangerous citizen who could not be contented with seven jugera. Their territory was filled with a multitude

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tude of brave and virtuous husbandmen, interested in the glory, as well as in the prosperity of their country.

This seems to be that state of society which is the most favourable not only to population, but to the virtue of the inhabitants, and to the internal greatness of a nation. There are then no temptations to the refinements of luxury, by the overgrown wealth of individuals, nor is the great body of the people bowed to servility by an abject dependence. No man is so much exalted above the multitude as to attempt a tyranny over his country; nor can he find any number so lost to a sense of their own independence, as to become his instruments in oppressing others. Every man feels himself interested in the general good, to maintain internal liberty, and to repel hostile force. "Where each man," says a late political writer*, "had his little house and field to himself free and independent, what a happy situation of mankind! How favourable to industry and agriculture, to marriage and propagation?"

* See Hume's Essay on the Populousness of Ancient Nations.

It is believed, however, that there are many countries in which this golden age never existed, or if it did, it is long since past, at least in European kingdoms; and now there is scarcely any man so great a Quixote in patriotism, as seriously to propose an attempt to bring it back. Such an attempt not only appears impracticable, but were it otherwise, in the present state of things, it would be impolitic. It has been observed, that in nations as well as in individuals, there is a youth, a maturity, and an old age, or a gradual progress from the commencement of political existence to its final dissolution. This observation, though both common and just, has not, I think, been sufficiently attended to by many writers. For if we acknowledge that it would be preposterous to govern a person arrived at full maturity of judgment, by the same rules which might be proper for the management of a stripling, it is no less so to suppose, that the same regulations, which might be admirably fitted for an early state of society, would be equally suitable for a nation in an advanced state of civilization.

In an early age of society, the manners of the people are pure and simple, while there are few temptations to fraud and violence. A small number

number of plain laws may be sufficient for the government of such a people. But this cannot continue to be long the case. As a nation increases in wealth, in numbers, and what are called the refinements of life, it gradually loses its primitive virtue. Every man begins to see his own interest distinct from that of his neighbour. Selfishness produces avarice, ambition, and jealousy, and these give rise to fraud and mutual violence. Hence a variety of laws, and a strict executive government, become necessary to prevent injuries and oppression. But a strict execution of justice appears to be incompatible with an equal division of property and corruption of manners. There must be a distinction of ranks to maintain subordination; for the multitude will never submit to the government of one whom they consider as no greater than themselves; and a certain degree of superior wealth or property seems necessary to produce this distinction. While men disregard their equals, or refuse to submit to their authority, they look up with respect to those who by superior wisdom or good fortune have acquired an ascendancy over them.

The unequal division of property therefore, which almost necessarily takes place in the progress of society, and which no laws can entirely prevent, is not so much to be regretted as

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at first sight we might be inclined to think. Though it may be reckoned an evil, yet it prevents an evil of a more dangerous tendency than itself, viz. anarchy and confusion. In Scotland, and in several other countries in Europe, when the royal authority happened to be weak, these kingdoms were often nearly depopulated, by petty civil wars between neighbouring proprietors of land. When, by the prevalence of these disorders, bloodshed and rapine had become frequent, the peaceable and industrious were compelled to enter into leagues for mutual defence; or, what was at first more commonly the practice, to become the vassals of some powerful chieftain, under whose banners they fought, and from whom they expected protection.

But while this establishment of the power of chieftains, barons or great lords, prevented absolute anarchy, it introduced another evil nearly as great, that of a tyrannical aristocracy. The great barons, sensible of their power by the number of their vassals, and accustomed to war, affected an independency, and often set the royal power at defiance. Many of them being possessed of a large extent of country, and enjoying its produce, which was then esteemed wealth, knew not how to bestow the provisions they

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they could not themselves consume, otherwise than by keeping a number of warlike retainers and followers. This gave occasion to what has been termed the warlike and restless spirit, which prevailed for many ages in Europe, which made the great barons so ready to enter into any martial enterprize where honour was to be obtained, and often on the most frivolous causes to take up arms against their sovereign. While they were troublesome subjects, they were arbitrary, and often tyrannical masters. Their martial retainers might enjoy the appearance of freedom, but the great body of the people, the peasants, the labourers of the ground, though the most useful members of society, were held in a state of slavery. There was at this time almost no intermediate class between nobles and commonalty. We can scarcely suppose any state more unfavourable than this to the happiness of individuals, or to the welfare of society. The history of Europe for many years appears to be, chiefly from this cause, one continued scene of war and bloodshed.

It was happy for mankind, that any means could be devised to remedy evils of such magnitude, namely, to reduce the power of the haughty barons; to subdivide the property of land;

land; to raise a middle class of men in society, who might combine against tyranny; to encourage industry instead of war; and to render the property of the industrious more secure. No effectual means however were employed, at least in Britain, for this purpose, until the reign of Henry the VIIth. That sagacious monarch, though perhaps only with a view to secure his own power, and to fill his coffers, yet, by the laws which he enacted, did the most essential service to society at large. He not only strictly prohibited any baron from keeping beyond a limited number of servants or retainers, but he enabled them to break the entails on their estates, and to alienate their property: while at the same time he gave every encouragement to the improvement of arts, of science, of manufactures and commerce.

It was these last acts of political sagacity that seem to have had the most powerful effects in producing a change on the former state of society*. They elevated men of science, artists, merchants, and manufacturers, not only to a state

* Mr. Hume, in his Observations on the Reign of Henry VII, ascribes this change in the state of society chiefly to the law enabling the nobles to alienate their property; but his opinion on the whole is nearly the same with that here expressed.

of

of independency, but enabled them to vie in wealth and splendour with those chiefs by whom they were formerly held in the utmost contempt; and they contributed to bring down the proud barons nearer to a level with their fellow subjects. If the nobles had been obliged to limit the number of their retainers, while they had no other way of spending the superfluous produce of their lands, an accumulation of their wealth would have been the consequence. The law therefore, enabling them to alienate their lands, could have produced no material effect in the subdivision of property: they were under no temptation to sell; on the contrary, they were more able than formerly, to buy land and extend their domains. Thus the division of property, and the distinction of ranks, would have become more unequal than before. But by the encouragement given to arts, manufactures and trade, a wide channel was opened for the flow of superfluous wealth. Instead of that rude plenty by which the halls of the great barons were distinguished, a taste for conveniences, for elegancies, for luxuries and amusements, formerly unknown, began to take place. The nobles vied with one another, not by the number of martial retainers, but by the magnificence of their houses, the elegance of their dress and furniture,

furniture, and the refinements of their entertainments and amusements. As at their country-houses these could be seen and admired only by a few, cities became the frequent seats of their residence; where their expences were carried to the greatest height. Here, instead of one expence, that of keeping a plentiful table, which was chiefly furnished from their own fields, they were exposed to a thousand, which, though apparently small when taken separately, yet, when put together, exhausted generally more than the annual produce of their estates.

As it is difficult to retrench expences in living, numbers of them gradually contracted debts, which obliged them to sell part or the whole of their estates. The lands sold, fell generally, though in smaller parcels, into the hands of manufacturers or merchants, who had made their money chiefly by furnishing the nobles with the different articles of their trade. In this manner it would appear, that the rise of the arts and manufactures became the most effectual mean of reducing without violence the exorbitant power of the nobles, of subdividing property, and of raising an intermediate class in society. The encouragement given about this time to science also greatly contributed, not only
to

to the formation of this intermediate class, but to kindle a spirit of liberty, and give that security to property which is so essential to the prosperity of a nation.

It is true, that by this change of manners a nobility, once hardy and warlike, are in danger of becoming luxurious and effeminate; and, instead of a body of martial retainers or vassals, ready at an hour's warning to rise in defence of their country, there remains only a crowd of harmless peasants or mean tradesmen. But when we consider the use which the nobles in former times often made of their power, the abridgement of it is not to be regretted; and when it is known that the hardy peasant and mechanic, whose bodies are inured to labour, may in a few months be so trained to arms, as to be almost equally fit for action with the experienced veteran, this last state of society seems to be infinitely preferable to the first. For it is further known, that by the increase of trade and manufactures not only employment and subsistence are given to thousands, who either never would have existed, or if they had existed must have remained idle nuisances in society, but by their labour there is a continual increase of wealth, which affords almost inexhaustible sources of national strength; so
that

that a nation is *now* capable of more vigorous and more continued efforts, either of defence or attack, than in the most martial ages of chivalry.

Cities and great towns are the necessary effects of this advanced state of society. It has been already observed, that persons of rank and fortune have in cities the fullest opportunity of displaying the magnificence and elegance of their equipage, dress, and furniture. Here also they can be most easily and amply supplied with all the elegancies of life: and that assemblage of rank, fortune, taste, &c. which in a great city converges as it were to a focus, and affords a constant and mutual fund of pleasure and amusement. Such cities will therefore increase generally in proportion to the increase of the wealth of a nation; individuals coming from every part of the country, to spend their superfluous wealth in those places of resort where it can purchase the greatest variety of entertainment. Again, as persons of affluence necessarily employ a number of people almost immediately under them, not only for the necessaries, but the pleasures, elegancies, and luxuries of polite life, this will naturally draw to great towns not only their household servants, or those occasionally

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employed to administer to their entertainment and pleasure; such as the variety of stage-players, singers, and musicians; but a still greater number of mechanics, artists, shop-keepers, and merchants; who will there find certain employment, and a ready vent for all their commodities. These different artists and tradespeople again give employment to one another; so that cities once founded naturally enlarge themselves, and continue to increase with the progress of society, and the wealth of a country.

Great towns, at a distance from the capital, have their rise from somewhat different causes, but are likewise the effects of the progress of arts and manufactures. It is known that some manufactures may be carried on in the country, at a distance from large towns, to the greatest advantage, because the cheapness of provision and labour does more than defray the expence of carrying their produce to market. But this is not generally the case. It is certain that it is in towns, and some of them now very populous, that manufactures have been carried on to the greatest extent, and that there the highest improvements have been made on them. Artists and manufacturers are from the strongest of all principles, viz. self-interest, animated to exert their

their utmost ingenuity and skill to vie with each other in the production of the best manufactured goods, and at the lowest prices. This has given rise to the division of labour, experienced* to be the most profitable invention of modern times; and, besides this invention, to a variety of others, for shortening labour and improving the several branches of manufacture. It is this chiefly which has enabled the manufacturers of such towns as Manchester, Birmingham, Sheffield, Glasgow, and Paisly, to undersell, in their several articles of produce, the traders of almost every other nation. The great sale of their manufactures necessarily produces wealth, and with that population, with elegance and improvement of manners; so that towns, which lately contained but a few poor tradesmen, are gradually rising to be in some measure places of fashionable resort.

In this view, cities and great towns are not, as some political writers affirm, signs of the corruption of the age, but rather an evidence of increasing industry, wealth, and population; in which the strength and greatness of a nation chiefly consist. In evidence of this, it is a fact,

* See Smith on the Wealth of Nations.

that

that large cities and great towns are seldom or never to be found in a poor country; but in the richest and most flourishing countries there the noblest and largest cities rise.

So far I believe it will be generally allowed, that manufactures, commerce, and great towns, are the effects of increasing wealth, and are also to a certain degree conducive to the general good of society. But, at the same time, it is affirmed, that while they enrich a certain class, they prove in the end hurtful to the great body of the nation; that they divert those hands, which might be more usefully employed in agriculture, to unprofitable manufactures, and do not materially add to the wealth or greatness of the nation. This idea has been held up with great ingenuity by some late French political writers. Monsieur Quesnai, and the followers of his opinion, represent the produce of land as the *sole* source of the revenue and wealth of every country; considering the class of artificers as altogether barren and unproductive, because their labour replaces only the stock which employs them with its ordinary profits.

The fallacy of this notion is fully exposed by the very learned and profound author of the

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Wealth of Nations. He has clearly shewn that it is altogether improper to consider artificers, manufacturers and merchants, in the same light with menial servants. The labour of the menial servant does not continue the existence of the fund which maintains and employs him; but a manufacturer, while he consumes a half-yearly revenue of ten pounds worth of corn or other necessaries, has produced an equal value of work, capable of purchasing, either to himself or to some other person, an equal half-yearly revenue. The value therefore of what has been produced is equal not to ten but to twenty pounds. It must follow that the country is ten pounds richer by his labour. This has been fully demonstrated in a justly well-known book, that it is unnecessary to insist further on this part of the argument.

But some other authors of this country, of merited celebrity, have considered manufactures, commerce and great cities, as hurtful to a nation in general, not only as they take away the hands which might be more usefully employed in agriculture, but as they promote luxury, and effeminacy of manners. They maintain, that great towns in particular, which are the effect of manufactures and commerce, have an

an unavoidable tendency to corrupt the morals of the people; to shorten the lives of their inhabitants; and to introduce a licentiousness and profligacy of manners, which must hasten the downfall and ruin of that nation where they are encouraged. This opinion is maintained by the late learned and ingenious Dr. Wallace, in his *Dissertation on the Numbers of Mankind*; by Dr. Price, in his *Essays on the Population and Unhealthiness of London*; and by other authors besides of merited reputation. Even Mr. Hume, though he considers manufactures and commerce as sources of national wealth, yet allows, "That enormous cities are destructive to society; beget vice and disorder of all kinds; starve the remoter provinces; and even starve themselves, by the prices to which they raise provisions." These ideas merit consideration, as they may seem applicable not only to one, but to every great city. I shall therefore venture to throw out a few thoughts on this subject, which may not be new to some; yet, as I have not met with them in the course of my reading, I presume are not generally known.

The general benefit of manufactures and commerce in subdividing property, in reducing the overgrown wealth and power of individuals,

and in raising up an intermediate class of men in society, has, I hope, appeared from the former part of this discourse. But it is said that this not only may be, but is already carried too far; that, from the number of operose manufactures daily rising, multitudes are carried away from agriculture, where they would have been more profitably employed, and in which the real wealth and greatness of a nation chiefly consist.

In my judgment, however, this assertion is begging the question, which ought to be first proved; for I think it may be shewn, that manufactures do not take away those hands which would have been more profitably employed in agriculture. I think it only employs those who would have been altogether idle, or who never would have existed, had it not been for manufactures. It is affirmed, that, notwithstanding the many thousands now wholly employed in manufactures in Britain, there is no real scarcity of hands for agriculture. For though it is true, that the wages of country labour is somewhat higher within [these thirty years, yet this rise is not occasioned by the scarcity of hands, but is the natural consequence

quence of the rise of taxes, of the progress of wealth, and of improvement.

In evidence of this, it is a fact, that country servants, though they work equally hard, yet may be hired for nearly one half of the wages that is paid to the generality of artificers and manufacturers. It is true, that the higher wages paid to a manufacturer is partly for his skill, or for the time spent in the acquisition of his trade. But if country servants were actually scarce, as they cannot be dispensed with, superior wages would be given, as a bribe to keep them from more lucrative employments. But this is not found necessary. Farmers sometimes complain, particularly during the time of war, when there is a great demand for private soldiers; but I have never heard of an instance of a good master wanting field servants: In the time of peace he has generally the offer of more than he can employ, and those at very moderate wages: This I think is a proof that manufactures do not take away the hands necessary for agriculture.

It is allowed that some parts of the country appear to be thinly peopled; but it will be found that in those parts, where there are the fewest inhabitants for the extent of ground they

occupy, such as the Highlands of Scotland, there has actually been an over-population, that is, there were greater numbers than could find employment, or food. This I conjecture was the chief cause of the rapine and thefts which were formerly so frequent in the Highlands. The poor people were driven by necessity to take what they could not want. Now, that order is better established, there are numbers who come every year from the Highlands to the Low-country in search of employment in the meanest and most laborious occupations. Before the establishment of manufactures, the same cause produced the same effect in the Low country of Scotland; the inhabitants emigrated to England, and to other richer countries, where they might find subsistence. As a further proof that there is no real want of people, I believe it is a fact, that in the course of the American war there were near one hundred thousand men carried out of this country, of whom not a fifth part ever returned; yet the loss of that number was not at any time very sensibly felt.

It is said that in some country parishes the numbers have diminished one half within these fifty years. I believe that in many places this is the case; occasioned chiefly by the destruction

struction of cottages, and throwing a number of small farms into one large farm. It is not meant to defend this practice. In many cases it appears to be injudicious. These cottages and small farms were the nurseries of the best, and of the greatest numbers of our common servants. But it cannot be justly said that this depopulation is occasioned by manufactures; nor can it even be alledged that this depopulation has been hurtful to the improvement of these parts of the country. On the contrary, these parts complained of are in a better state of cultivation; that is, they yield near a double quantity of corn, and that at a smaller expence than they did formerly. Further, though the numbers in some country parishes be diminished, yet, by the rapid increase of populous villages and manufacturing towns, there has been a considerable increase in general population.

Manufactures then, even those that are opposite, are not, as has been supposed, hurtful to agriculture. I think it may be shewn that they have been and continue to be of the greatest service to it. Mr. Hume, in his Essay on the Populousness of Ancient Nations, justly observes, "Because agriculture may in some instances flourish without trade or manufactures, is it
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“ just reasoning to conclude, that in any great
“ extent of country, and for any track of time,
“ it could subsist alone? The most natural way
“ surely to encourage husbandry is first to excite
“ other kinds of industry, and thereby afford
“ the labourer a ready market for his commodities,
“ and a return of such goods as may
“ contribute to his pleasure and enjoyment.
“ This method is infallible and universal.”

Manufactures are further serviceable to agriculture, by giving employment to many thousands, even in the most remote parts of the country, when their service is not required in the field. Though Edinburgh be not reckoned a manufacturing town, yet I have been well informed that the linen manufacturers in that city, or in its suburbs, give employment to about ten thousand people, of whom there is not one thousand who live in or very near Edinburgh. The greatest part of the spinners live at the distance of fifty, or a hundred miles from it. This is doing an essential service to those parts of the country. It enables those people to live in it, who otherwise must have left it for want of employment; and leaves to the farmer a number of useful hands, whom he can hire at a small expence in hay time, and harvest.

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Manufactures, &c. 25

Manufactures and commerce are besides of use to agriculture, by producing that wealth which is essentially necessary for the improvement of ground naturally poor and barren. There are many parts, both in England and Scotland, where the money laid out in the improvement of waste lands has greatly exceeded the original purchase. A poor farmer, however skilful, could not have afforded to give almost the low rent for them. It is delightful to see the fields in many parts of the country, which within these twenty or thirty years were not worth fixpence, now worth one, two, and even three guineas per acre. Merchants and manufacturers, who have been successful in trade, have, for the most part, some money to spare; and that variety, which men generally search after, naturally, indeed almost necessarily, leads them to lay out this on agriculture. It is an agreeable relief from the fatigue of a counting-room, to get at some distance from the smoke of a town, and superintend the labours of the field. It has been also observed, that merchants make the best farmers, as they are accustomed to those habits of economy and attention, which soon render them no less skilful in the one business than in the other. Though they should on some occasions make an unprofitable adventure in this way; that

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is, though the improvement should never fully repay the expence of cultivation, so that individuals are losers; yet there is a real accession of gain to the country; and the money is much better bestowed than on foreign luxuries, or expensive pleasures. It is accordingly, since the rise of trade and manufactures, that the greatest improvements have been made in agriculture.

That GREAT TOWNS occasioned by trade and manufactures are not hurtful to agriculture, is, I think, equally clear. They provide a sure market near at hand, for all the produce of a farm; not only for corn, but for many smaller articles of produce, which would not bear the expence of carriage. They further afford manure to all the adjacent grounds; which, though often poor, yet, by the force of that manure, are brought into the highest state of cultivation. Many instances of this might be given. It is remarkable in the neighbourhood of almost all the manufacturing towns in England and Scotland. Grounds, which in the memory of many alive, nay within these few years, were mere bleak and barren heaths, are now converted into rich and fertile fields, producing a real acquisition of many thousand acres to the country. Instead of impoverishing, they spread a circle of wealth

wealth for many miles around them. Further, though numbers come every year from the neighbourhood to live in such towns, yet there is no appearance of any depopulation in the country by this annual supply; on the contrary, the numbers in the adjacent parishes seem rather to increase.

The gloomy ideas, which some have entertained of the general depopulation occasioned by manufactures and great towns, appear to me to be almost entirely without foundation. It is a certain maxim, that wherever men find good employment they are in a capacity to purchase food, and where they have sufficiency of food population will assuredly follow. It has been observed, "That the prolific virtue of men, were it to act in its fullest extent without the restraint which poverty and necessity imposes on it, would double the numbers of mankind every generation." Though, then, it should be allowed, that the unhealthy labour of some manufactures, with the corrupted air of great towns, has a tendency to shorten the lives of numbers, yet this appears to be more than compensated by the encouragement they give to population. It may not only be supposed, but it daily appears, that where young people have a prospect

prospect of certain employment, with such wages as may enable them to maintain a family, they will marry at an early period, and that such marriages will be fruitful. On the contrary, where they have no certain prospect of employment, or that the wages they receive can barely support a single individual, the dread of poverty banishes all thoughts of marriage; or, if they do marry, their children die at an early age, for want of proper food and care.

Should we then attempt by high taxes on manufactures, or severe restraints on the growth of towns, to depress them, with a view to the encouragement of agriculture and population, I think it is next to a certainty that we should do a most material injury to both. Instead of being hurtful, as has been affirmed, they seem essentially to promote the welfare and greatness of a nation.

I come now to the last part of the argument mentioned by Mr. Hume, and still more insisted on by Dr. Wallace, Dr. Price, and others; namely, that very large cities are destructive to society; beget vice and disorder of all kinds; starve the remoter provinces; and even starve themselves,

themselves, by the price to which they raise provisions.

All this I believe might be said of Rome, and of Eastern cities, under a tyrannical government. In the decline of the empire, disorders of every kind had risen to the highest pitch in Rome. The remoter provinces were starved by it, while the citizens were often in danger of starving themselves. But I do not think that these evils appear to have arisen so much from the extent of the city, as from the tyranny and bad government which then prevailed. Vice and disorders were produced in Rome, not merely by the accumulation of numbers, but by the actual encouragement given to idleness, dissipation, and every sort of crime. These were encouraged by the great influx of wealth, procured, not by honest industry, but by rapine and oppression, and by the bribes which the people received, both of donatives, of money, and *gratis* distributions of corn, from those who were aspiring after power. The frequent shows exhibited in the amphitheatre, at the expence of the candidates for popular favour, were in a particular manner calculated to confirm their propensity to dissipation and tumult. The remoter provinces were

were at the same time starved by the heavy exactions imposed to supply the continual craving, extravagance, and idleness of the capital.

But this cannot with justice be said of any city in Europe, not even of London, though it be confessedly the largest city in this quarter of the globe. Yet we daily hear complaints of the increasing size of London, as if it were a great national evil; and this maintained by some of the ablest writers. It is said that the size of London is an evidence not of the prosperity, but of the corruption of the nation; not of the strength, but of the weakness of the country. That our capital city is like an overgrown head, too large for the body: that the influx of wealth, which pours into it, produces profligacy of manners; and that its great size renders it so unhealthy, that it requires an annual supply of six thousand people, which is an actual loss of so many lives to the country in general. That therefore means should be thought of to restrain its growth, and if possible to reduce its size. These affirmations I have long thought to be ill-founded; and as they are applicable to every other growing city, I shall consider them more particularly.

If

If the size of the city of London arose from forced or artificial causes; that is, if the people were either compelled or bribed to reside in it; then there might be some ground for these affirmations. But this it is known is not the case. The population of London arises from natural and unavoidable causes. That city is the capital of a nation in which there is a greater number of rich commoners than in any other kingdom of Europe. It is the seat of their legislation and government. It is the chief seat of commerce; it is the seat of pleasure or fashionable amusement; and it is the seat of all the elegant refinement of polite life. Paris is the next largest city in Europe, because it is the capital of a larger kingdom; but it is not the chief seat of commerce in that nation, therefore it is not so populous. The concurring causes above-mentioned necessarily draw the most opulent inhabitants from every part of the kingdom to reside in London, for at least a considerable part of the year; and they again, it has been shewn, draw to it still greater numbers, who live under them. The increasing size of the capital is therefore so far from being a sign of general weakness or corruption, that, like other great towns in the country, it is a sign of increasing wealth and population. Were poverty and de-
population

population gradually extending over the country, fewer could afford to live in the capital.

But, allowing this to be the case, it may be said, that it would be better for the general good of the nation, that there were not so many causes concurring to increase the size of London. If, for example, the chief seat of legislation and government were removed from the chief seat of commerce. By this there would be two great cities of moderate size, instead of one overgrown; and the wealth of the country would be more equally diffused.

This thought is specious, but it is doubted whether it be solid. London is situated in nearly the center of the richest part of the island; from every part of which notice of any event may now be transmitted by post in a few days, at a trifling expence; and, by a large navigable river, an easy communication is opened to every part of the world. This has rendered it, almost from the days that the Romans settled in Britain to the present time, the chief seat of government and of commerce. Had it not been found the most commodious for both, it is impossible that this would have continued to be the case under so many revolutions. But further, as Britain is a commercial

commercial country it seems most natural that the chief seat of commerce should also be the chief seat of legislation and government. By this means the wisdom of the nation is concentrated, and our rulers have the best opportunity of receiving the earliest and best information of what concerns the welfare and prosperity of the country. Merchants, and persons concerned in trade can there more easily attend and give them advice, than if they were compelled for these purposes to neglect their business, by undertaking long and incommodious journies. Though therefore a particular part of the country might have been benefited by removing the seat of legislation from the seat of trade, yet there is reason to believe, that it is better for the nation at large that they are conjoined. It is probable that for such reasons London has remained so long to be, and it is likely will continue to be, the seat both of government and commerce.

Another argument against great cities is, that they are nurseries of vice and disorder of every kind. It is to be feared, that the truth of this to a certain degree cannot be denied. As such cities are the seats of fashionable amusement, they offer so many temptations to extravagance
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and dissipation, that a young person of warm passions and inexperience in life is in the utmost danger of ruin. It is not to be doubted, that numbers might have maintained their virtue in the country, who, by coming to a large city, where they were under no restraint, have destroyed both their health and fortune in a short time. Cities give occasion to yet more frequent scenes of vice and disorder in low life. Persons of doubtful or worthless characters, who cannot live with any credit in the country, or in small towns; where they are known, fly to great cities, where they think they may practice their various frauds with less danger of discovery. They also make it their business to teach and confirm one another in all the arts of knavery and vice. Hence the number of public executions, which are more frequent in London, even in proportion to its size, than in any other town in Britain.

These evils are seriously to be regretted; but I think it may be shewn, on the one hand, that in a certain degree they are unavoidable, and on the other, it may be very much doubted whether they are so great national evils as is commonly apprehended.

These evils seem to be unavoidable in an advanced state of society, where wealth and civilization

ation necessarily introduce a variety of pleasures and fashionable amusements. In every state of society there are concomitant advantages and disadvantages. An advanced state is marked by luxury and dissipation; an early state is marked with a rudeness, and often a barbarity, which is in truth more pernicious to the interests of mankind. If a young man will not be restrained from extravagance and profligacy by the dread of poverty, disease and contempt, it is to be suspected that his principles of virtue, or of manly resolution have never been well established. There is reason to believe, that, though great cities had never existed, yet he would have found out other places, where in a narrower circle he might, in the end, no less certainly have effected his own ruin, and perhaps done a still greater injury to others. Besides, though in London there may be numbers corrupted and ruined, yet this is not a necessary effect of a great city. On the contrary, it is believed, that there are almost as many men to be found in London, and who have been educated chiefly there, who are distinguished not only by sobriety and industry, but who, though possessed of fortune, retain their virtue, as are to be found in any other town in Britain, even in proportion to its smaller size.

It has been observed further, and I think with justice, in favour of great towns, that though a metropolis may be the seat of the greatest dissipation, yet it also affords room for the exertion of the greatest virtues. A wider field is opened for the display of distinguished talents. It is accordingly seen, that youth educated in them are in general excited to a more vigorous energy in the pursuit of any art, science, or occupation, than those confined to smaller towns. Their attention being constantly kept alive by the variety of new and great objects passing daily before them, they seem to acquire the use of their faculties at an earlier period of life, and may be more safely trusted with the government of themselves, or with the management of affairs of importance.

With respect to the number of low villains who make London the scene of their fraud, rapine and vice, I think, if duly considered, this is still less an argument against great cities. It is not a fact, that the great extent of London is the cause of the number of convicts in that city. If the history of those who have suffered at Tyburn be inquired into, it will be found, that there is not a fourth part of them who have been born, or even at first corrupted in London.

Among

Among mankind there is a variety of character and disposition. There are some who, by good example and education, may be trained to virtue; who, if more unhappily situated, will become the victims of vice. But there are others of such natural depraved propensities, that no education, no hope of reward, no fear of punishment can restrain from the extreme of folly and vice. Even in the country, the former are in no small danger of being corrupted, and the latter will unavoidably discover themselves. In small societies neither can live with ease, therefore they betake themselves to great cities, where they think their vices will pass unobserved; where with greater safety, they may indulge their lawless habits; and where, by the arts of knavery, they may find more frequent means of gratification.

In this view, great cities are not hurtful, at least to the country part of the kingdom, but are really serviceable, by ridding it of so many bad members of society. It is known that such as remain in the country are nuisances, that they often corrupt others, and, being generally at a distance from the rod of justice, are with greater difficulty convicted or punished for their crimes. In large cities they may be induced to deeds of

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greater

greater atrocity, and may become more expert in all the arts of theft, but their race of villany is generally soon run. Where there is any tolerable police, the officers of justice are on the watch, and by a very speedy process they suffer for their offences. It is melancholy to think of the numbers who suffer capital punishments at an early age; and it is devoutly to be wished, that we could correct the depravity of so large a proportion of our fellow-creatures. But where this is impracticable, the sooner their miserable existence is terminated it is the better both for themselves and society.

There is yet another argument against great cities. It is said, that by their bad air, and by the mode of living in them, they shorten the lives of the inhabitants, and depopulate the country. This is very seriously insisted on by Dr. Price, in *Essays* appended to his *Treatise on Life-annuities*. In these there are two different things which he seems anxious to prove. The first is, that London has been decreasing in numbers for these forty years, so that now it is not so populous as it was at the Revolution. The second thing he is at pains to shew, is that, from its unhealthiness, it requires an annual supply of six thousand inhabitants, which is a loss of this number to the nation.

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It is not my intention to cavil, or to enter into a controversy which belongs not to my subject. I hope that Dr. Price's intentions are good, and believe, that his calculations on annuities are accurate, but, as he appears to me to be warped by a gloomy prejudice against the police and government of his country, which has betrayed him into some erroneous opinions that may infect others, it belongs to my subject to take notice of them, in defence of my own opinion.

That London has been decreasing in numbers for these forty years, he thinks beyond a doubt, from this evidence, that within the walls the number of inhabitants is reduced one half, and in the seventeen parishes without the walls, the annual burials have sunk from 8672 to near 5000. As a further and more certain evidence of the decrease of inhabitants, Dr. Davenant, in the year 1690, makes the number of houses in London and its environs to amount to 111,215, whereas in the year 1777 they amounted only to 90,578. From these facts, if they are such, the numbers of the city of London must be decreased. But I think, from what Dr. Price acknowledges in other parts of his *Essays*, there is good reason to call these supposed facts in question.

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As to the number of houses, the accuracy of the returns is justly doubted. The doctor informs us, that the number of houses in the parish books, anno 1737, was stated at only 85,805; whereas, by an accurate actual survey taken by Mr. Maitland at that time, they were found to be 95,968. Because in the parish books several small houses were reckoned single houses; i. e. two or three different families living under one roof paid the tax only of one family. I think there is reason to believe that this is still more the case now. When a tax is first laid on, the inhabitants are not prepared to evade it. But in a course of years they invent various means to shun the payment. One of the most obvious and frequent is, that two or more families, living in one house or tenement, get it rated only one house, and of course paying only one duty instead of two or three. This it is believed is very frequent in London, so that the number of families may in fact be a fourth or a third more than the number of houses reckoned. Therefore the number of houses reckoned, being less than formerly, is no evidence of depopulation.

As to the evidence of a decrease from the decrease in the registers of births and burials, it is still

still more uncertain. Dr. Price seems to be sensible of this, and that there are great omissions in both. Mr. Maitland makes the omission in burials 3038. Dr. Price seems at a loss what allowance he should make. But, if these registers afford any rule to judge by, they are against the doctor's supposition of a depopulation. For though he maintains that the burials in the center of the city have fallen near 3000, yet he confesses that in Westminster, and in the out-parishes, they have risen from 4000 to 16000. If these are facts, the city of London, instead of decreasing, is doubled in numbers from the time he mentions.

The only conclusion I can draw from what Dr. Price advances on this part of the subject is, that the central parts of the city of London are decreased in numbers; that is, the inhabitants are less crowded, and take more room to live in, for it is not said that the houses there are waste, but that the city is enlarged in extent, and is in truth more populous and healthy than in any former period of time.

What he alleges with respect to the unhealthiness of London is more general. He says there should be more old people in London than

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than in the country, because one fourth of them come in the most robust part of life, with a probability of living longer than if they had come in infancy.

I shall for once suppose this to be true, that they come in the most robust time of life; yet if we consider the objects which brought the greater part of them to London, namely, the pursuit of wealth, which requires unremitting toil and attention injurious to health; or the pursuit of pleasure, no less hurtful; or to practice vice and knavery, yet more fatal; it will not follow that they should live longer there than in the country. It is trifling to say, that if such a place as London had not existed, they would not have been tempted to shorten their lives by coming to it. Some such place must always exist in an advanced state of society, and where there is liberty, no human regulation will prevent men from pursuing their inclinations.

But further, it may be very much doubted whether near one fourth of those, who come to live in London, come in the most robust part of their lives. In merely manufacturing or trading towns, this may be the case. Young people come there to seek for employment; but in London,

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London, and in the capitals of kingdoms, this does not appear to be the case. There are many who come to London merely for medical assistance; and, as they seldom go there until their cases are very dangerous, they may be said to come to die there. There are many who come for conveniency, finding it more comfortable in advanced life to live in the midst of their friends and polite society, than in a distant retirement; and there are many who, having children comfortably settled in the capital, willingly leave the places of their old residence to live with them. These and a thousand other causes bring people in advanced life to die in great towns. That such people, by coming to live in London, should cause the number of burials to exceed the number of births, is no evidence of its being unhealthy, and tending to depopulate the country. Even supposing that they do not live to the same old age as in some country places, it is no national loss that they do not live long after they become useless to society.

Again, granting what Dr. Price maintains, that London requires a supply of six thousand people annually, it may be affirmed, that this is what eight millions of people under a free government can

can very easily afford, without feeling in any degree the loss of such a number. If this should be also disputed, it is asked, what shall be done? Shall we, to prevent the confluence to great cities, lay restraints on, or abridge the natural liberties of mankind? Shall we say to our neighbour, I am a better judge for you, than you can be for yourself? In doing so, we should, in attempting to cure one evil, introduce a much greater.

The last argument which I shall at present take notice of against great towns, is that they starve the remoter provinces or parts of the country and at last starve themselves, by the high price to which they raise provisions. I have already observed that, though this may have happened under tyrannical governments, it never can happen in a free country. Corn will never without violence be exported from any part of a country, where there is real want; if a farmer finds a ready market for the produce of his ground at home, he will not send it to a distance. With respect to London, that city is so far from starving the country, that it may be affirmed to be a source of wealth to the greatest part of the kingdom.

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It is true, that noblemen and gentlemen of affluence, by living in London, spend that money there, which might have been spent more to the advantage of those parts of the country where their estates lie. But this appears to be only a private loss counterbalanced by a greater general good. The money that is spent in London is not all lost to the nation. The far greater part of it is returned to the country for provisions and manufactured goods sent to the capital from every part of the kingdom. Though therefore the poor and the idle may suffer by losing the offals of a rich family, yet the industrious and most useful part of society will suffer nothing. In proof of this, it may be observed, that before the union of England with Scotland the greatest part of the nobility and gentry of Scotland lived at home. Since that time, the greatest part of them live at least for part of the year in London. But this has not impoverished the country. In Scotland there was little real improvement or increase of wealth until its correspondence with London commenced. That city is at present the great emporium for the most thriving manufactures both of Scotland and England; and should that market be shut up, it is believed that the greatest part of them would go to ruin. The advantage which that city is of, to almost every part of the kingdom,

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kingdom, is so plain that it requires no further illustration.

That such a city may in the end starve itself, by the high price to which it raises provisions, is an argument equally ill founded. In a free commercial city this never can happen, unless there should be a famine over the whole world. Merchants, attentive to gain, are ever on the watch to pour in provisions, or whatever there is likely to be a demand for from the most remote parts of the earth. Some articles of provision, such as those luxuries or delicacies which will not bear a long carriage, are high priced, because there is a greater demand for them than the adjacent country can supply. This, however, is not an evidence of the scarcity of provisions, but of the wealth of the inhabitants. The essential articles of life, bread, butchers-meat, dried and salted fish, with all kinds of clothes and furniture are not only to be had at moderate prices, but many of them are cheaper in London than in any other part of the kingdom. Were it otherwise, such numbers would never go to live in a place where they were in danger of being starved.

Though then it be allowed that an equal di-
vision

Manufactures, &c.

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vision of property, where the wealth of the country is diffused through every part of it, is that state which is most favourable to population and national greatness, yet it would appear, that in an advanced state of society, where this cannot take place, manufacturers and great cities are so far from being hurtful or a sign of weakness, that on the contrary they are highly serviceable to the general good, and an evidence of wealth, prosperity, and national strength.

If, from the foregoing discourse, it should be thought that I stand an advocate for the luxury and refinements of modern times, as preferable to the temperance and simplicity of former days, I can sincerely reply, that nothing is more foreign to my intention. I am sensible that the increase of luxury has introduced a selfishness, a venality and corruption of manners, which may in the end be ruinous to our country. But I cannot be of opinion, that this is introduced by manufactures and commerce; or, that great cities are the cause of it; or, that any artificial laws or unnatural restraints would prevent it. It seems to be the unavoidable, though melancholy consequence of an advanced state of society.

All

All that I can presume to suggest is, that the friends of religion and virtue, who are the truest friends to their country, should, by the uniform practice of what is good, recommend that practice to others; and as I trust that there are many such in every class of society, so I hope, that by their means we may continue for many years to be a happy, a free, and a great nation.

Difficulties

Difficulties stated to a proposed equal Assessment of the Land Tax, and another Subject of Taxation proposed, not liable to the same Objections.

THE reception which every new tax meets with is a striking proof of that self-interested principle, which governs the actions of the bulk of mankind. When the individual acts merely for himself, he carefully endeavours to conceal it from the public eye; but, when he assumes the patriotic character of guardian of the rights and interests of the class or community to which he belongs, all reserve is thrown aside, and the principle appears boldly and without disguise. As soon as a new tax is proposed, almost every man, who thinks at all, begins to consider how it will affect himself. If he apprehends that it will lie heavier on him than on his neighbour, it is abused as the most unequal, oppressive tax, that ever was invented. If money must be raised to defray the expence of government, his invention is fruitful in pointing out many other means that would more fully answer the purpose; but all these

these are such as do not touch himself. The trader and monied man wish to lay it on the proprietor of land; while he, on the other hand, endeavours to throw it back on them. In a word, every man strives to keep it off his own shoulders, and to impose it on his neighbour. He is therefore a bold minister who ventures upon a new tax; on whatever class of men it chiefly falls, they proclaim his incapacity, and join their interest in opposition to him.

As of late years the expensive wars in which this nation has been engaged have created an extraordinary demand for money, the invention of politicians has been racked to discover new subjects of taxation. When the public demands are urgent and immediate, those who have the command of money take the utmost advantage of the necessities of government, and will not treat but on the most extravagant terms. It is said, that it is not uncommon for those who deal in this species of traffic to make eight, and even ten per cent. of their money. It is certain, that many have made large fortunes, by thus preying on the necessities of their country. It has therefore been seriously proposed, that, if new taxes are necessary, those gentlemen, who have made such usurious profits at the expence of their country,

try, should be first called on to pay a part of those burdens, to which they have, in a considerable degree, been the authors of subjecting it. In order to this, it has been proposed, that stock should either be taxed, or, what is the same thing, that the interest of the money lent to the public should be reduced.

This proposal is speciously just, but it is liable to several weighty objections. First, in order to encourage loans to government, it is declared by parliament, that the interest granted to persons, who have advanced their money to the public, shall be free from all taxes, charges, and impositions whatever. To impose a tax on them after this would be a breach of national faith. Further, it is believed, that the greater part of those who now hold stock are not the original possessors of it, nor have they made any extravagant profits by it. Many of them bought in when stocks were high, and enjoy but a very moderate interest for their money. Again, should it be found, that money lent to government was to be reduced in its value, it would be the next thing in effect to a national bankruptcy, and render money holders in future either averse to a loan, or their terms more extravagant than ever. It is to be presumed, that it is for such

reasons that the proposal has not been listened to.

This subject of taxation being laid aside, it has been proposed, that, as land is the most real property in a kingdom, which yields the greatest income or profit to the proprietor, and that as, on this account, the proprietors of land are more interested than others in the defence and support of government, they should pay the greatest proportion of the public expence. Accordingly, a land-tax, though under different forms, is one of the oldest, and one of the heaviest impositions that has been laid on the country.

It is near a century since the present land-tax was established. It was originally intended that every proprietor of land should pay the sum of one, two, three, or four shillings in the pound of his annual income, as the exigencies of the state might require; which in Britain did, and still produces to government, at the rate of five hundred thousand pounds for every shilling thus imposed.

In some counties, where a just valuation of property was given in, and where the land was improved to its full extent, they still pay nearly to the

the amount of the original valuation. But this is far from being generally the case. The rent-roll originally given in was not only in general below its value, but by the improvement of land, and the increase of wealth in the country, there are many estates raised to six and even to eight times their former value; so that, instead of paying four shillings in the pound, they do not pay six pence, some of them not four pence. This is said to be the case in many parts of Yorkshire, and in most of the western and northern counties; also through the greatest part of Scotland. The inequality is such, that it is supposed a tax of one shilling and sixpence per pound, on all the real land-rent of Britain, would raise as large a sum as that arising from the present supposed four shillings in the pound; or that, if all the land-rent in Britain actually paid four shillings, it would produce a revenue of five millions three hundred thousand pounds.

Here, it is said, is an ample subject for additional revenue, without laying any tax on public stock, or trade, or manufactures. Let there be an accurate valuation of the rent of every county, and let every proprietor pay according to the fair proportion of what he possesses. This seems to be agreeable to justice; whereas, at present, it appears to be the height of injustice

that the proprietors of one county should pay four shillings, while another pays only four pence per pound.

This idea has become popular of late, and is by many seriously insisted on. If it were supported only by superficial speculators, or by party writers, it might be treated with neglect; but, as it is countenanced by some authors of learning and judgment, it merits more particular consideration.

To me it appears, that, however speciously good this proposal may appear in theory, yet, if it were strictly carried into execution, it would be unjust and cruelly oppressive on many of those whose lands are now low valued; it would be ruinous to many whose estates are burdened, and would be found the greatest discouragement to country improvement. Further, though it were possible to take measures to prevent these consequences, yet the *ratio* of allowance to be made in particular cases would be attended with such difficulties, as to render the application next to impracticable. At the same time, according to the spirit of this act, there are other subjects in a manner untouched, and not liable to such objections, from which a revenue might be raised. I shall offer my reasons for this opinion.

I say

I say it would be unjust and oppressive on those whose estates are under-rated, because, in general, they have either paid full value for this low valuation, or the increase of their rent has been the effect of their industry, or of money actually laid out on the improvement of their land, for which it would be highly impolitic to tax them. To establish this it will be of use to look back into the history of this tax, and into the nature of those taxes for which it was substituted*.

An opinion has obtained that a land tax was first introduced in the reign of King William the third; because, *anno* 1692, a new assessment, or valuation of estates, was made throughout the kingdom. From history it is evident that it was of a much earlier date. The first we find mentioned was imposed by the consent of the Wittenagemot, to raise a sum to bribe the Danes to desist from their depredations, which began *anno* 787. At first, a tax of one Saxon

* It is not meant to give a detail of all the taxes which were laid upon land, but of those only that seem to have relation to the subject before us.—For information on this subject, I have had recourse to Dr. Blackston's Commentary; Dr. Henry's, and Mr. Hume's Histories; and to the Inquiry into the Wealth of Nations.

shilling only was imposed on each hide of land; it was then raised to two shillings, and at last to seven shillings; which must have produced a sum equal, in effect, to about 2,320,000l. of our money. Houses were likewise subjected to this tax. A house of a certain value paid a sum equal to that of a hide of land. We are informed, that it was continued to be collected long after the occasion of it ceased, and particularly by Canute, the Dane, *anno* 1018. But, as so heavy a tax, at that time, must have been oppressive on the kingdom, it was afterwards reduced to four shillings on the hide, and continued at that rate until about seventy years after the Norman conquest, when it was abolished. From this account it is plain, that Danegelt was, in every respect, as much a land tax, as that imposed *anno* 1692.

But, though Danegelt was abolished, taxes of a similar nature immediately came in its stead. These were tenths and fifteenths, scutages on knights' fees, and talliage on burghs and cities.

Tenths and fifteenths were temporary aids, issuing out of personal property, or moveables; and were granted to the king, by parliament, on

on particular emergencies. Tenths are said to have been first granted to Henry II. to defray the expences of his expedition to Palestine. Afterwards, tenths were more usually granted than fifteenths. In the reign of King Henry III. tenths, fifteenths, and twentieths, were granted on moveables, chiefly on cattle; and four knights of each hundred were appointed by the county meeting to ascertain the value. Originally, the amount of these taxes was uncertain, a new assessment being made on every fresh grant of the Commons; but, in the eighth of King Edward III. it was reduced to a certainty; when, by virtue of the king's commission, new taxations were made on every township, borough, and city in the kingdom, and recorded in the exchequer; which valuation continued the same until this tax fell into disuse in the reigns of King Richard II. and King Henry IV. This tax was sometimes laid on land, but generally on cattle. It was not, however, the less a land tax by being laid on the last, as cattle are the immediate produce of land, and were, perhaps, the best medium by which they could, in those days, ascertain its value.

Scutage was a tax, to a certain amount, on every knight's fee; the original of which is as

high as the introduction of military tenures. By that institution, every tenant was bound, if called upon, to attend the king, in his army, for forty days in every year. In process of time, a pecuniary satisfaction was made in lieu of it; and then became a tax, under the name of scutage. Of the same nature with scutages, were the assessments on all other lands, and talliage on cities and burghs. All these were evidently land taxes, as much as the present tax under that name.

In the reigns of King Richard II. and King Henry IV. these gradually fell into disuse, and subsidies were introduced. The subsidy was a tax, not immediately imposed on property, but on persons in respect of their reputed estates, after the nominal rate of four shillings in the pound for lands, and two shillings and six pence for goods; but this assessment was made according to an ancient valuation.

The amount of a subsidy was not, like tenths and fifteenths, invariable, but gradually fell to be a very inconsiderable tax. Mr. Hume, in his Appendix to the reign of King James I. has shewn the means by which it diminished. I transcribe his words: "In the eighth of Queen Elizabeth,

Elizabeth, a subsidy amounted to 120,000l. In the fortieth it was not above 78,000l. It afterwards fell to 70,000l. and was continually decreasing. The reason is easily collected from the manner of levying it. We may learn from the subsidy bills; that one subsidy was given for four shillings in the pound on lands, and two shillings and eight-pence for moveables, throughout the counties. A considerable tax, had it been strictly levied; but this was only the ancient state of a subsidy. During the reign of King James, there was not paid the twentieth part of this sum. The tax was so far personal, that a man paid only in the county where he lived, though he should possess estates in other counties; and the assessors formed a loose estimate of his property, and rated him accordingly. To preserve, however, some rule in the estimation, it seems to have been the practice to keep an eye to former assessments, and to rate every man according to his ancestors, or as men of such an estimated property were accustomed to pay. This was a sufficient reason why subsidies could not rise, notwithstanding the great increase of money, and rise of rents. But there was no evident reason why they continually decreased. The favour, as it is natural to suppose, ran always against the crown, especially during the latter
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end of the reign of Queen Elizabeth, when subsidies became numerous and frequent, and the sums levied were considerable, when compared to former supplies. The assessors, though accustomed to have an eye to former assessments, were not bound to observe any such rule, but might rate a-new every person according to his present income. When rents fell, or part of the estate was sold, the proprietor was sure to represent his loss, and obtained a diminution of his subsidy; but when rents rose, or new lands were purchased, he kept his own secret, and paid no more than formerly. The advantage, therefore, of every change, was taken against the crown, and the crown could obtain the advantage of none. To make the matter worse, the alterations, which happened in property during this age, were, in general, unfavourable to the crown; the small proprietors, or twenty pound men, went continually into decay; and, when their estates were swallowed up by a greater, the new purchaser increased not his subsidy. So loose, indeed, was the manner of raising subsidies, that the wonder is not how the tax should continually diminish, but how it yielded any revenue at all. It became, at last, so unequal and uncertain, that the parliament was obliged to change it for a land tax."

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In the beginning of the civil wars between King Charles I. and his parliament, the latter, having no other means to support themselves and their measures, introduced the method of levying weekly and monthly assessments, of a specific sum, on the several counties of the kingdom, to be levied by a pound rate on lands and personal estates, which were occasionally continued during the whole usurpation, sometimes at the rate of 120,000l. per month. After the restoration, the ancient method of granting subsidies, which were collected by commissioners appointed by the crown, or great officers of state, was only twice renewed, once *anno* 1663, and again, when four subsidies were granted by the temporality, and four by the clergy, *anno* 1670, which produced 800,000l. This was the last time of raising supplies in this manner; for the monthly assessments being now established by custom, levied by commissioners appointed by parliament, and yielding a more certain revenue, were preferred. Accordingly, from this time we hear no more of subsidies, but occasional assessments were granted as national emergencies required.

In the beginning of the reign of King William III. a more certain and permanent revenue for
government

government was thought necessary, and a new valuation of estates was made throughout the kingdom. This was first made, and continues to be raised by the principal land holders in each county. Each county assessed itself in a certain sum laid on individuals, according to the valuation of their estates. This new valuation had the effect of rendering the sum to be levied certain; that is, one shilling in the pound certainly yielded the sum of 500,000l. and so on in proportion. The valuation made at this time was not, it is probable, perfectly equal. It is likely that in making it they had an eye to the valuation made for monthly assessments, which I shall afterwards endeavour to shew was reasonable.

Though Mr. Hume says that subsidies were given up, and a land tax imposed, because the former were so unequal and uncertain, yet, from the account he gives of the fall of subsidies, I think it appears, that it was not so much because subsidies were unequal, as because they were unproductive. In the reign of Queen Elizabeth they fell from 120,000l. to 78,000l. within the space of thirty-two years, and were still continuing to fall. Accordingly, the chief object of government seems not to have been to lay on the tax more equally, but to render it
more

more certain and more productive, which the present manner of laying it on has effectually done.

It is observed, further, that the counties which are now highest taxed are those in the neighbourhood of London; because land was not only more improved, but was, and still is, of greater value, by its proximity to the capital, than in other parts of the kingdom. I think it is more than probable, that they paid a higher subsidy; and next to certain, that they paid a higher monthly assessment; though of this I can produce no positive proof; otherwise, it is not likely they would have submitted to a land tax so much higher in proportion than the distant counties.

As a proof, in part, of this, Bishop Burnet informs us, that the act imposing the land tax was obtained by the Whig in opposition to the Tory party, between whom contests at this time ran very high. The Whigs in the House of Commons at this time, it is believed, were chiefly the representatives from what was called the associated counties, which were, almost all of them, in the neighbourhood of London. They were the counties of Middlesex, Essex, Surrey, Hertford,

Hertford, Cambridge, Huntington, Buckingham, Berks, Suffolk, Norfolk, and Lincoln. They were so called, because they associated themselves, in defence of parliament, in opposition to the royal power, about the beginning of the civil wars. Though they had submitted to monarchical government, it is natural to believe that a great part of their former principles and spirit would still remain. But, though we may suppose that the heat of party, or perhaps principle, might induce them to submit to be somewhat higher taxed than their just proportion, yet we cannot believe that the inequality could be so great as it now is, unless the taxes formerly paid instead of the land tax had been as high in proportion, or at least nearly so.

But, allowing that the gentlemen in those counties suffered themselves to be taxed so much higher for the support of their party, and that, at this time, they sunk the fifth part of the value of their estates, instead of a tenth or twelfth, which is not likely; this is no reason why the gentlemen of other counties should now submit to a like diminution of their property. The successors or heirs to those high taxed estates have not now any real reason to complain. If they bought these estates since the tax was imposed,

posed, they bought them with this burden; and, we may believe, paid a smaller price for them. If they received them by inheritance, they received them with this burthen, and have no reason to say that others should pay for what their forefathers alienated. As it is a tax which was at first paid without being reckoned a grievance, so it is now, if possible, still less a grievance; because they never had reason to think that more belonged to them, than what remained after paying this, and other public burdens, long ascertained.

The case is widely different with respect to those who never paid more than six pence, or nine pence per pound. To impose on them, all at once, a tax of three shillings and six-pence, or three shillings and three pence additional, would be an oppression they had no reason to expect. The valuation of lands has been fixed for near a century, and no notice given of any new valuations being intended; the price they paid was high in proportion to the lowness of the valuation.

Estates that pay a high land tax resemble, in this respect, estates which pay a high feu duty. No person will give more for them than in proportion

portion to their net produce, after paying this feu duty. But, because some estates are liable to a feu duty, is it just to say that every estate should be subjected to a like burden, though they were bought, *bona fide*, that they were subject to none? This reasoning, I think, is conclusive, unless it be said that all land should pay a fifth part of its real value to the support of government, while other species of property pays almost nothing in proportion.

But, as an equal assessment of this tax appears to be unjust, so it would now be very oppressive. In the reign of Edward the sixth, a tax of one shilling in the pound, yearly, was laid on every person worth ten pounds per annum and upwards. This was reckoned one of the most grievous taxes that ever was imposed. But how much more oppressive would it be, if, instead of a tax of one, an additional tax of three shillings were imposed? Landed gentlemen, of moderate estates, generally live nearly up to the full amount of their free rent roll; and when, for a course of years, they have been accustomed to this, it is very difficult for them to retrench. If then so much as a fifth, or even a sixth of their income was deducted by a tax, the loss would be severely felt.

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But, if this would be oppressive to some, it would be absolutely ruinous to others. It is believed, that there are few estates entirely without debt, or that have not private annuities payable out of them; and these contracted not always by the present possessors, but generally by those from whom they received them. A gentleman who has a number of children, but no ready money, has no way of providing for the younger part of his family, after his death, but by burdening his heir, and leaving his provision for them, a debt on his estate. If he has exceeded his income, which a numerous family might oblige him to do, there are other debts to which his heir is liable. It often happens, from such causes, that the heir of an estate has not a fifth part of the free rent remaining for his subsistence. If such estate had been formerly liable to a high land tax, it would not have admitted of such a burden; but, if it should be laid on after they are contracted, the nominal proprietor might not be left a shilling. In some cases he might be a loser by his property and there is reason to believe that such cases are far from being uncommon.

Here I cannot help observing, that we are often led into erroneous notions, by not affixing

clear and determinate ideas to the words we use. It is commonly said that land should be taxed. It is not surely the land itself, the earth or clay of which it is composed that is to be taxed; neither is it, strictly speaking, the produce of that land: They are both inanimate substances. If we mean any thing, we mean that the person who receives that produce, or its value, should pay in proportion to what he receives, to defray the expences of government, by which that produce is secured to him. But who is it that receives this? It often happens that the nominal land holder touches but the smallest part of it. There is another person behind who has an ascertained right to draw the greatest part of it. In justice, therefore, he should pay in proportion to the produce, or value of the produce, he receives.

In the cases above mentioned, it may be allowed, that an equal assessment of the land tax might be unjust or oppressive; but it is said, and I believe with truth, that there are many estates, particularly in those parts of the country which are at a distance from the capital, which, within these twenty or thirty years, have doubled their rents, while those formerly high taxed are hardly at all raised, since the valuation in 1692. Here

Here the objections, before stated, will not apply. If their rents are doubled, they may easily admit of an additional tax of a sixth: Nothing, to appearance, can be more just. If a man's annual rent hath rapidly increased, he can easily pay for that rise, by which he is so much a gainer. In this case it will be granted, that an equalization of the tax is highly reasonable; and the complaints of any person in such circumstances ought to be treated with neglect.

But, if this addition to the tax be made, it ought to be made soon, at least during the life of that possessor, in whose time the value of the property had increased, or rather before he adds to his expence, in the faith of bearing no additional public burden, and before he lays any burden on his successors which they might be unable to bear. If it be delayed for any considerable time, the tax on his successors might be equally oppressive, as in the cases immediately before mentioned.

But there is another circumstance to be attended to, of still greater importance than any yet mentioned; and that is, What has been the cause of the increased rents of landed estates? If it arises from improvements in the neighbour-

ing parts of the country, to which he has not contributed, either by his industry or his wealth, and that his estates, by such improvements, though remote from the capital, has become equal in value with those who pay a high tax, it is most just that he should pay a tax equal to theirs. It is believed there are many estates to which this description is applicable; particularly those which are in the vicinage of rich manufacturing towns. Further, though the advantages arising from such towns are chiefly felt in their immediate neighbourhood, yet there are many parts of the country, at a greater distance, which receive, though not an equal, yet a very considerable advantage from them.

Here, however, a very material difficulty occurs; namely, What is the comparative advantage which particular estates receive from such situations? and, consequently, how is the tax to be proportioned? As the improvement of land seems to go hand-in-hand with the progress of manufactures and trade, and, as it appears that they mutually support each other, it will be a matter of much difficulty to decide whether the increase of rent has arisen most from the advantage of situation, or from the merit and industry of the land holder.

If

If it has arisen chiefly from the last, it is affirmed, that a tax would be a discouragement to agriculture. As the proper culture of land is the chief source of wealth to the nation, it will be the business of a wise legislature to do every thing to promote it, and carefully to avoid every species of discouragement. If then, instead of giving a premium to that person, who, by industry, and employing his stock on agriculture, has doubled the value of land, we lay on a tax nearly equal to, or, in some cases, greater than his profits, there could not be a more effectual prohibition to improvement. The tithe in England, which rises with the improvement of land, is universally complained of as one of the greatest discouragements to agriculture. To raise the tax on the improvement of land would operate in the same manner.

But it is alledged, that the profit now arising from the improvement of land, from superior skill in agriculture, is generally such as may easily afford the additional tax, and would be no more a discouragement to agriculture than a small tax on a lucrative manufacture, which is often imposed without any prejudice to that branch of trade. The very learned and judicious author

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of the Wealth of Nations is aware of the discouragement which a variable land tax might give to the improvement of land; but, as he thinks a more equal land tax reasonable, to obviate this objection, he proposes "to allow the landlord, before he begins his improvement, to ascertain, in conjunction with the officers of the revenue, the actual value of his lands, according to the equal valuation of a certain number of landlords and farmers in the neighbourhood, equally chosen by both parties; and by rating him according to this valuation for such a number of years as might be fully sufficient for his complete indemnification." This is surely the least that, in justice or sound policy, should be allowed him. But to encourage agriculture, there should be more than a full indemnification; there should be a profit beyond this; if not, the land holder will be tempted to lay out his stock and industry in some other way, which may bring him a larger return. I do not presume to differ with the respectable author above mentioned. If a full indemnification for trouble, stock, and risk, were granted, the objection would be removed; but I think it would be difficult, if not impossible, in many cases, for any jury of landlords or farmers to say what number

number of years would be sufficient to give him this indemnification.

It may be observed, that, in almost every country, the best lands are those which are first cultivated, because they yield the farmer the largest return at the smallest expence. For this reason they can bear the highest tax; and I believe it will be found that the counties in England, which are highest taxed, are those which have been the longest cultivated, and which possess the accumulated advantages of superiority of climate and markets. In poorer counties the case is very different. The improvement of these commenced at a later period, because there was much less encouragement to the cultivation of them. They required more stock and labour to bring them into order; they demand a constant supply of manure to keep them in good condition; and they give a smaller return to the farmer, after deducting his expences. Such lands of course can bear but a small tax.

In answer to this it is said, that, if the cultivation of such lands require a greater expence, the proprietor will receive a smaller rent, and his tax can only be in proportion. But, in many of those parts of the country lately cultivated, the

the expence laid out by the proprietor is such, that all the rent, which he has the prospect of receiving in *perpetuo*, will only afford him five per cent. for his stock laid out; after making a reasonable allowance for the risk he runs. For it must be observed that the risks in agriculture are no less great than in any other branch of trade. It is known that even the most skilful farmer can certainly say what any piece of ground will yield, until he has tried it for a course of years: Sometimes it may promise well, and yield very ill, and sometimes the contrary. A proprietor, after much labour, and great probability of success, may never draw two and a half per cent. for what he has laid out on one piece of land; and though from another he may draw seven and a half per cent. he is no more than indemnified. If the event of his cultivation is thus precarious, what jury could pretend to determine the quantum of his indemnification.

An adventurer in cultivation runs another risk, perhaps still greater: After having laid out a large sum in meliorating a poor farm, he brings it into the best order, and lets it to a tenant of good character, and supposed to be skilled in his business, for a high advanced rent. This may be such as in ten years would repay his expence

expence. The jury therefore rate him accordingly. But does it not often happen that this tenant is either unskilful, and by bad farming impoverishes his ground, or exhausts it through avarice; so that no other tenant will give half this rent, till it is brought into heart by another large expenditure? The proprietor in the mean time finds his tax raised; and, though his rent falls, he finds it next to impossible to get an abatement. These cases are so frequent, particularly in poor countries, that no set of men, however skilful and honest, could pretend to say what indemnification should be given to an improver for his expence. Rich lands are not liable to the same risks.

But, supposing that such an allowance might obviate the objection to an additional tax on lands to be improved, which I think it does not, yet it could not answer with respect to those already improved, because now it is impossible to say what the original state of these lands was, or what expence it required to bring them to their present condition. There are many parts of the country now beautiful and fertile, yielding one, two, or three pounds per acre, which no person who had not seen them in their original state could ever suppose to have been once poor, unpro-

unprofitable grounds. Some of them four marshy swamps, some cold bleak heaths, others covered with deep moss, and some full of earth-fast stones, so as not to be worth three pence per acre. But the labour and expence, which it required to bring them into their improved state, no less exceeds our conjecture. Some of them have cost from twenty pounds to forty pounds per acre, and some will never repay what has been laid out on them. But, because they now yield a good rent to the improvers, or their successors, would it be just to tax them according to this rent; and would not this be the greatest discouragement to agriculture, or to the improvement of bad grounds?

It may be said that lands of this kind ought not to be cultivated, because the stock employed on it might have been more profitably employed. If Britain was a country like America, where there are thousands of acres of rich land untouched by the plough, the argument would be good; but when we consider the narrow limits of our island, and how little good arable ground it contains, it appears that the person who actually improves bad land, at whatever expence, does an essential service to his country. He in fact adds so much territory to maintain
a greater

a greater number of people. If he be a loser, instead of being burdened with a tax, he merits a premium.

A general observation of no small importance is made, that a variable tax on the improvement of land has been found one of the most hurtful that ever was invented. It is said to have contributed to the ruin of the center of Italy, once one of the most fertile and populous spots in the world. Mr. Gibbon observes "That in the beginning of the reign of Arcadius and Honorius, before Italy had been invaded by the Goths, three hundred and thirty thousand acres of the rich and once fertile province of Campania were exempted from taxes, as being deserts, and abandoned." It is true that this was in some measure owing to the corruption of the government and people, and from the frequent distribution of corn brought from the provinces, at low prices, which lessened the encouragement to the cultivation of their own lands. But it is thought to have chiefly arisen from the arbitrary and variable taxes imposed on those who cultivated their lands to advantage. No man will sow if he knows another will reap the produce. This, it is said, was one great cause of the slow progress of agriculture in
France

France, and is still the chief source of the poverty of Spain and Portugal. If a new tax were laid on the improvement of land in Britain, there is great reason to believe that it would produce consequences equally hurtful to this country.

But, to produce an instance better known. I have already observed, that the tithe in England is universally complained of as the most oppressive burden on the farmer, because it is variable. For every improvement a farmer or proprietor makes on his lands, the person who has a right to levy the tithes can demand one tenth of the actual produce, which is reckoned equal to one fifth of the clear profit. It is believed that there is no tax so discouraging to agriculture, or which gives such frequent occasion to fraud and litigation.—In Scotland this is happily prevented. For though tithes may be exacted there, yet an improver has it in his power to value them before any improvement is made; and though he should afterwards raise his land to twenty times its former value, yet his tithes remain invariable, and are for ever afterwards paid according to his fixed valuation. This, and the exemption from poors rate, appear to be the chief causes why land of the same

same quality lets for a considerably higher rent in Scotland than in England.

I proceed now to consider whether, according to the spirit of this act imposing the land tax, there be not other subjects, in a manner untouched, from which a revenue might be raised, not liable to the above objections.

“ By what is called the land tax in England,* “ it was intended that stock should be taxed in “ the same proportion as land. When the tax “ on land was at four shillings in the pound, “ it was intended that stock should be taxed at “ one fifth of the supposed interest.” This, it is allowed, would have been a very high and oppressive tax; and, if it had been rigidly exacted, must have produced very bad effects. But I think it may be shewn, that instead of raising 20 per cent. as was intended, on the interest of stock, government at present receives almost nothing, which appears equally unreasonable. It is said that, when the land tax was imposed, it was divided between the country and the principal towns; each town, or parish in a town, paying a certain proportion, according to the

* See Wealth of Nations, vol. 3, p. 296. 8vo.

valuation

valuation then made; the value of the stock of each proprietor being estimated according to his house rent. There was besides this, in some towns, a small tax laid on stock in trade; but the valuation of both these is now so low, that it is thought, if the greater part of the land in England is not rated at half, the stock in England is not rated at the fiftieth part of its value. Even at first, the tax on stock was inferior to that on land, being on only at 2s. and 6d. or 2s. and 8d. on the annual rent, while that on land was at 4s. in the pound: Here then, it is said, is a tax on money, according to the original spirit of the law; because the house a man possesses is in general proportioned to his wealth. But a little attention to the subject will discover the fallacy of this reasoning.

If, when the land tax was first imposed, the valuation in the country was very unequal, it was no less so in towns; some from the beginning paying a much greater proportion than others. This unequal assessment, it is probable, arose from the same cause in both; namely, from their being rated not so much according to their real worth, as according to what they paid in the times of subsidies and monthly assessments.

But

But further, if the valuation in the country is daily becoming more unequal by the stationary value of some lands, and the high increased value of others, this inequality is become still greater in towns. In old parishes, where the rents were formerly high, they still pay according to the first valuation, though the rent of the parish be fallen since that time. In other parishes, where both the number and value of houses are increased, perhaps twenty fold, they pay no more than when the valuation was first made. This is remarkably the case in London. It is said that the parish of St. Giles's, by the fall of house rent, pays between five and six shillings a pound, while the parish of Mary-le-bone pays only four pence. Now, if it was true that a monied man, (by whom I mean one whose chief property is in money, and not in land,) paid for his stock by the tax he paid on his house, it would follow that the inhabitants of St. Giles's paid fifteen times more than the inhabitants of Mary-le-bone.

But it is a great mistake to suppose that a monied man, who pays even the highest tax in St. Giles's, pays in any proportion to the value of his money. Let us suppose the assessment in a town parish to be six pence in the pound on

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house rent, yet this is not in proportion to the six pence in the pound on land rent. It is believed that a person living in a town, who is worth 1000 l. per annum, arising from the interest of money, will be very well satisfied with a house for which he pays fifty pounds rent. For this he pays only one pound five, while the gentleman of landed property pays twenty five pounds. In this view I am well founded in saying that the tax on money is almost nothing. Even supposing house rent paid six shillings, as in St. Giles's, he pays only fifteen pounds, which is but one and a half per cent. on his annual revenue. But further, even where this high tax is paid, it falls not on the possessor, but on the proprietor. The landlord may indeed charge of additional rent as much as other parishes in the neighbourhood pay on account of the tax, but he cannot charge more, otherwise he would not get a tenant. But, besides all this, the assessment on houses cannot be properly reckoned a tax on money. If it were so, a gentleman who has no money at interest, but comes to spend his land rent in a town, should not pay it, because he has already paid his land tax; yet it is known that he pays as much as perhaps a richer man, who pays not a farthing of land tax.

Having

Having shewn that it was evidently the intention of the law, that stock in money, as well as land, should be taxed. It may be asked, whence comes it that it neither is, or ever was taxed? Dr. Blackstone justly observes, that moveables were formerly a different, and much less considerable thing than they are at this day. In ancient times, it was not lawful to take interest; a tax, therefore, could not be laid on what did not exist. Even after interest was allowed, the quantity of money in the kingdom was very inconsiderable until the reign of Henry VII. land being then almost the only property. Since his time, a mighty change has gradually taken place. By the introduction of manufactures, and the increase of trade, prodigious sums of money have flowed into the country, so that the moveable stock now in the kingdom may be reckoned equal, perhaps superior in value, to the landed property.

A great part of this, it may be said, is already taxed; namely, almost all the stock laid out on manufactures and trade, by the taxes laid upon exports and imports, and on various goods manufactured, by which the land is eased of the tax which otherwise must have been laid on it. This is allowed. The stock laid out in this way is

sufficiently taxed, perhaps already higher than it should be, for the interest of the country. But, beside this, it is known that there are very large sums laid out, not on trade or manufactures, but on interest. This stock, it is said, should be taxed, and the tax paid, not by the borrowers, but by the lenders; who, it is believed, are in general better able to pay than the manufacturer, the merchant, or the man of landed property.

To this it is objected, that the interest of money is a much less proper subject of direct taxation than the rent of land: First, because the quantity and value of land, which any man possesses, cannot be secret, and may be easily ascertained; whereas, the amount of his capital must almost always be a secret, and is liable to continued variations. A tax on stock would expose the proprietors to an intolerable inquisition into private circumstances. A second objection to taxing stock is, that a proprietor of stock is properly a citizen of the world, and is not attached necessarily, like a proprietor of land, to any particular country. That if he found himself burdened with an inquisitorial and oppressive tax, he would abandon that country where he was taxed, and carry his money to another; which would
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put an end to that industry which his money maintained.

The first objection may be obviated by the tax being so laid on, that there should not be the smallest occasion, either to ascertain the property of the money lender, or to make the least inquiry into his private circumstances. Thus, supposing it was thought reasonable to tax the interest of money at two and a half per cent. which, by the bye, is not above a third part of what land, even at its present low valuation, pays in general. This may be easily done by obliging the lender to grant his receipt on a stamp, for which he shall pay a sum to the stamp-office, equal to the tax. For example: If he gives a receipt for a year's interest, on a bill or bond, to the amount of 50*l.* the receipt must be granted for the same on a stamp which costs two shillings and six-pence. If for 100*l.* on a stamp for which he pays five shillings, and so on in proportion to the sum lent. Here his and the borrower's circumstances remain as secret as ever. The stamps may be bought by a servant, without any person, except the lender and borrower, knowing for whom they are intended. To secure this tax to government, every receipt for interest may be declared null without
such

such a stamp; and to secure the payment of the tax by the lender, let it be a forfeiture of the sum to the informer, if the borrower be required to pay it.

Here an apparent difficulty occurs, viz. that if a tax be laid on all bills, there would be a heavy burden on trade, as it is known that many mercantile transactions are carried on by means of bills granted, payable at short dates. And again, if they were excepted from the tax, money lenders would readily take the advantage of the exception so as to defeat, almost entirely, the purpose of it. But, if such a tax was to be seriously thought of, it would be an easy matter to throw in such clauses as to mark the distinction between bills granted solely for the purposes of mercantile transactions, and bills merely for money lent; and to impose a penalty on such money lenders as ventured to evade the tax under such a pretext.

As to the second objection, it will not be admitted that a person, whose whole property is in moveable stock, is a mere citizen of the world, unconcerned in the welfare of the country where his stock is. On the contrary, he is, if possible, more interested in the safety of that country, than

than even the person of landed property; because, any great national misfortune would expose his moveable stock to a greater danger of being lost, than if his property were in land. A British merchant, for example, who sends a cargo of goods, on credit, to an island in the West-Indies, is, in fact, more interested in the welfare of that island than a person who has an equal value of land in it. In the event of an invasion, his whole property might be irrecoverably lost. Therefore the British merchant willingly contributes for the defence of these islands. It is the same with money lent in any country. The lender of money is no less interested, and ought, in justice, to pay as much for protection as the landed proprietor.

It is said he may carry his money to another country, whereas the other cannot carry his land. True, he cannot carry away his land, but he may sell it; and in most cases more easily and, in a shorter time than the other can collect his money lent on bond or mortgage. This is so much the case, that the various taxes and burdens laid on land have inclined numbers to sell their estates, and lay out their money on interest, where they find a larger and more certain return.

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88 *New Assessment, &c.*

It is allowed, that if a very burdensome tax was laid on the interest of money, so high as one fifth, or twenty per cent. as was at first proposed; the money lender might be tempted to carry his money out of the country; but if only the fortieth part, or two and a half per cent. was laid on it, the tax is so small that it would not be sensibly felt; so that, after paying it, he could scarcely expect to make more by lending it elsewhere.

How much this tax might produce it is impossible to say, but in the present state of the country, when there is so much money lent and borrowed for the purposes of commerce, manufactures and the improvement of land, it would certainly produce a very large sum. And if money be wanted for the exigencies of government, I have never heard any reason that satisfies me why it should not be imposed.

T H E E N D.