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Desultory Observations

ON

THE ACT

OF THE

LAST SESSION OF PARLIAMENT,

ENTITLED,

“ An Act for granting to His Majesty, until the Sixth
“ Day of May next after the Ratification of a Defi-
“ nitive Treaty of Peace, a Contribution on the Profits
“ arising from Property, Professions, Trade, and
“ Offices.”

ADDRESSED TO THE LANDED INTEREST

OF

GREAT BRITAIN.

BY A LANDHOLDER.

Nos Numerus sumus, & fruges consumere nati.

HOR.

LONDON:

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NOSTER-ROW;

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By G. Woodfall, in Ivy Lane.

1804.

By Baron Hepsburn.

DESULTORY OBSERVATIONS.

HAVING been nominated by the county in which I reside, a Commissioner for the General Purposes of this Act, I felt myself bound to give my time and attention to learn and be acquainted with the duty I was thus called upon to discharge.

The following observations are the result, which I am the more inclined now to submit to your consideration, as within these few days it has been declared in Parliament by official authority, that this Act is not to be re-considered during the present Session; and truly, I am sorry to say, these observations go to charge, with few exceptions, our Representatives in the House of Commons with a want of due attention to the character, and the just rights of the landed interest of Great Britain.

It was a faying of the late Sir Robert Walpole, that in point of taxation, the landed interest were as tame and quiet, as the large unwieldy sheep they bred upon their lands; they might be tied, and clipped and fleeced as often as any minister pleased, without the fear of complaint or murmur, but if he ever looked at the purse of the mercantile interest, they rose against him "like the quills upon the frightful porcupine."

When Sir Robert made this observation, he naturally was led to compare the conduct of what was then called, "the Country Party" of his time, with the conduct of that party during the agitated period that immediately preceded the Revolution, and the occasional convulsive struggles during the reigns of King William and Queen Anne, and in the first years of George I. in one of which he was himself expelled the House of Commons; but when we now look back in the same manner, we certainly are entitled to say, that the opposition in his time, compared to ours, resembled the ocean immediately after a mighty tempest, which, for a considerable time after the winds have ceased to blow, continues to be violently agitated, and rolls his high

swollen

swollen billows, fullen and indignant on the shore, while the opposition of the present day may not improperly be styled the "Marmor Æquor" of Virgil. We know that old Shippon, with his cold blade-bone of mutton, and the Tory Party, proved such a thorn in the side of Sir Robert, as no Minister since his time has ever experienced, and the terror of them compelled him, in place of imposing new Taxes, to encroach upon the Sinking Fund he had so wisely created, to pay the National Debt contracted in the two preceding reigns; and having laid this precedent, that Sinking Fund was soon reduced to nothing by his successors, while the Debt remained a burden upon the nation; besides the Land-Tax was not considered in his time a permanent tax, to be voted yearly by Parliament like the Malt-Tax, as a matter of course, and once or twice, if I am not much mistaken, it was not voted at all, and it rarely ever exceeded two or three shillings in the pound. From these facts, I have been almost induced to apply to our times, what Horace has said of his

*Ætas parentum pejor avis tulit
Nos nequiores, mox daturos
Progeniem vitiosiore.*

I shall

I shall now point out where, in my humble opinion, the character of the Landed Interest has been degraded, and their just rights invaded and very materially injured.—I beg leave, however, in the first place to mark what appears to me an egregious blunder in this act, with regard to the proposed Tax on DWELLING HOUSES.

Schedule A certainly is meant to impose the Shilling Duty or Tax on the pound of Rent upon every species of real estate within the kingdom, and although DWELLING HOUSES are not particularly named, in the long and anxious enumeration of subjects to be so taxed by this schedule, still it shall be admitted for the present, that the words may seem broad enough to embrace and comprehend them under it.

In like manner Schedule B is meant and intended to impose an additional duty of Ninepence or Sixpence on the Pound of Rent, to be paid without relief by the occupiers of every subject, or real estate, specified in Schedule A, and had matters stopt here, without any enumeration of particulars in Schedule B, DWELLING-HOUSES might have been taxed in this

Second

Second Duty, although not particularly named in Schedule A, as falling under the spirit and meaning of its generic words; but Schedule B begins with an enumeration proper and peculiar to itself, and in the first particular therein put down we find DWELLING-HOUSES, which, in my humble opinion, does somewhat more than seem to imply that DWELLING-HOUSES are not to be taxed under Schedule A, and were on that account, *ex proposito*, omitted, and left out of that Schedule.

This proposition is strongly corroborated by the following words of Schedule B, “ which “ duties shall be respectively charged in addition to the duties contained in Schedule A, “ and shall be construed to extend to all the “ properties therein PARTICULARLY charged.” Certainly, DWELLING-HOUSES are NOT PARTICULARLY charged in Schedule A, and constructive Taxation, like constructive Treason, sounds harshly in a British ear—“ quod voluit non fecit.”

The Act must also be amended before the *Occupiers* of Dwelling-Houses can be subjected to the duty of Schedule B; for if I do not much misapprehend the meaning of the following exception

ception

ception in this Schedule, it goes to protect and liberate every Dwelling-House within the kingdom, from the Ninepence or the Sixpence duty; it "excepts DWELLING-HOUSES NOT occupied with a farm of Lands, for the purpose of farming such Lands, or with a farm of Tythes or Tiends for the purpose of farming the same." As the houses occupied by the tenantry of Great Britain are let, with hardly an exception, for a gross rent for the Lands and the Dwelling-Houses and Offices occupied by the farmer, and as that gross rent is taxed in the duty of this Schedule, it follows as a matter of course, that not one Dwelling-House within the kingdom can be subjected to this branch of the Tax, until the word NOT shall be expunged out of the Act.

I see in an explanation of this Act, circulated by authority, after I had wrote thus far, it is said, merely, in my humble opinion, to reconcile this blunder, that Parliament never meant to subject *Dwelling-Houses* to the Tax of Schedule B, for what reason I do not immediately perceive, as the Proprietors of Dwelling-Houses are to be allowed 2 per cent. of the Shilling Tax for repairs, so they will

will pay only about 3 per cent. of tax; but holding that Dwelling-Houses are not to pay the Tax of Schedule B, there is this obvious absurdity in the business, that Dwelling-Houses are not enumerated or named in the Schedule under which they are to be taxed, and the Commissioners are left to conjecture and to imply it from the words of that Schedule, and we find DWELLING-HOUSES the first particular enumerated in the other Schedule under which they are not to be taxed, although the first enacting words of this Schedule does, in the most express and explicit words, impose this Second Tax upon DWELLING-HOUSES, and in the following line, merely by inserting the word NOT, the first Clause of it is repealed.

So much for the accuracy of the framers of this law:—I shall now endeavour to show where, in my humble opinion, the character of the Landed Interest is degraded, and their just rights invaded and very materially injured.

With regard to the Shilling Tax of Schedule A, you will observe that the Commissioners under the Act are directed to issue their Notices, not to the Landed Proprietors, but to the Tenants occupying their Lands, and these Tenants

nants are required to exhibit their respective Leases, or an account of their Rents, as the basis of a charge to be made against them for this Shilling Duty, which they are to pay for their Landlords, and afterwards to take credit for that payment in settling with them for the balance of their Rents.

I do not think we have been treated very civilly in not trusting us for the making that payment ourselves, and I think I can discover, or guess at, more reasons than one for refusing us that trust, but I shall now only mention one, as perhaps pretty generally true with regard to most of us: "Res angusta Domi," "our poverty, and not our will" might lead us to be somewhat tardy in making these payments ourselves, and for that reason the able and the sagacious framers of this Act, knowing our unfortunate situation, have cunningly devised this method of securing this Tax by stopping it, "in transitu," before it reached our pockets; but why they would not trust us to give in to the Commissioners a just and true rental of our several Estates, containing the names of our Tenants, and the Rent paid respectively by each, seems to me incomprehensible. But as far

far as my conjecture carries me, it seems, in the first place to be founded upon our supposed ignorance of our own affairs, which incapacitates us from giving in such a rental; or that we perhaps were not worthy of that trust, which, with the exception of our tenants, is given and reposed in every other class of inhabitants within the kingdom, of making up in the first instance at least, their own account of Taxable Income.

Here I leave the question of legal character as stamped upon us all by this Statute; but for our comfort I do with confidence say, that the framers of this Law have proved themselves as ignorant of two-thirds of Scotland, as they have supposed us to be of our own private affairs; and the expence of executing it will cost a great deal more than double the sum to be levied in that two-thirds of Scotland, although the proprietors of that part are possessed of great incomes, such as for example the Dukes of Gordon and Argyle, Lord M'Donald, Sir James Grant, of Grant, and many others.

In these parts of Scotland, and more particularly on the west coast, and the western islands, where the principal business of the Tenants

Tenants is the sea-fishing, you will find from fifty to one hundred tenants upon one hundred pounds a year of rent, for they have each a promiscuous hill pasture for a cow or two with what is called their followers, viz. calves and year-olds, and a small croft or piece of land, upon which they cultivate potatoes and a few oats, and perhaps a patch of hemp, for their fishing lines and nets. I beg leave to ask, how many thousands of NOTICES must be printed and served in that part of Scotland? Must these poor people travel from these remote places to make a *return* in twenty-one days under a penalty of £ 50? Few or none of them perhaps can write, or even speak, any other language but *Gaelic*; and after all this I shall suppose has been done, look at the expence of collecting the shillings from these people, for it certainly is not intended that these wealthy proprietors I have instanced, and numberless others, are to be exempted from their proportion of this Tax, merely because many of their Tenants pay only a pittance of rent?

Had the Landlords been worthy of trust, one notice would have served for thousands, and had they been also trusted with the payment,

perhaps

perhaps Government would have been fully as certain of the money, and at the merest trifle of expence.

I have already endeavoured to guess at one of two reasons why we are not now to be trusted, as of old, with the payment of this Land-Tax: I shall now humbly offer another that has suggested itself to my mind. This new Tax is called "A CONTRIBUTION OF PROFITS;" and if the Landholders had been called upon to pay it themselves, even the most thoughtless and inattentive man amongst us must have discovered the striking resemblance it bears, in its every prominent feature of it, to the old Land-Tax, now very generally redeemed by the Landed Proprietors, at the expence of several millions paid by them to Government; and the fact unquestionably is, that the present Tax, as I shall in the sequel prove, is identically the same Land-Tax very poorly concealed under a different name; but by the taking it from our tenants "in transitu," it never comes into our pockets; "argal" it never goes out of our pockets, and logically, we are not the poorer by the want of it. This is my conjecture, as to the true inductive and cunningly contrived motive

motive for making the Tenants pay this Tax, in place of their Landlords: I may be wrong in having formed this conjecture, I therefore hold myself open to conviction, and when convinced I shall confess my error; but till then, I feel myself irresistibly compelled to hold this opinion; every man, however, will give it no more weight than he shall think it justly merits.

It will not, I presume, be seriously denied, that this Tax, in so far as it affects LANDED PROPERTY, is exactly the OLD LAND-TAX, revived under the concealed name of A CONTRIBUTION OF PROFITS ON PROPERTY, and a very slight covering it certainly is. The old Land-Tax, when first imposed by Cromwell, was so many shillings in the pound of the gross rent, actually paid to the Landlord at the time it was so imposed; and the CONTRIBUTION OF PROFITS ON PROPERTY is now imposed upon the gross rent paid by the Tenant according to the existing leases or covenants betwixt the Landlord and Tenant; and the sole difference betwixt the two is, that the present Tax is to be paid by the Tenant, and the old Land-Tax was paid by the Landlord; to which I beg
leave

leave to add, that the old Land-Tax fairly avowed what it truly was, while the present endeavours to steal upon us under a different and assumed appearance; for this reason, as I think, that the Landed Interest having so recently paid several millions to Government for the Redemption of the Old Land-Tax, it would have seemed perhaps too barefaced a measure to have called the present a NEW LAND-TAX, but undoubtedly it is so.

Those who think the old Land-Tax was redeemed with a view to profit are wonderfully mistaken; and in fact it yielded little or nothing in that way; for the Ten per Cent. of addition, which the first Act required, absorbed all the profit. It was done as an essential measure of Government, which the Parliament then requested of the Landed Interest, and certainly there was then given something very like a pledge, that a Land-Tax would not be one of "the ways and means" in future. For my own part I do not grudge or regret the pittance I then paid, which, although small, was corresponding to my fortune; but truly I am grieved that there should be even the smallest shadow of an appearance for saying,
that

that the British Legislature, so pure, so just, and so upright, have overlooked what the Landed Interest very generally believed and trusted to, when they redeemed their old Land-Tax.

Upon the same feeling I beg leave to say, that this new Land-Tax seems an infringement of the Treaty of Union, which so happily for England and Scotland did incorporate them into one kingdom.—I read, in the Minutes of the Commissioners appointed by each kingdom to treat of that Union, the following words: *

“ The Lords Commissioners for Scotland do
 “ also agree, That all the Subjects of the
 “ United Kingdom shall be liable to equal
 “ Land-Taxes, or Taxes upon the Pound Rent,
 “ *Providing the Proportion for Scotland*
 “ *shall only be £12,000, when One Shilling*
 “ *is imposed upon the Pound Rent on*
 “ *England; so that £48,000 in Scotland*
 “ *shall be reckoned equal to the Four Shil-*
 “ *ling Aid now imposed on England, and*
 “ *so proportionably, and to be raised in*
 “ the same manner now used in Scotland,
 “ and free of all Charges.”

This

* De Foe, p. 31, old Edit.

This proposition was acceded to on the part of England, and the 9th article of the Treaty of Union is founded upon it; at the same time, with this exception, I am proud, as a Scotchman, to say that *John Bull*, and he truly is a noble animal, has treated *Sister Peg* with kindness and liberality in the interpretation of that Treaty, and I do not plead it now to protect me from paying to the exigencies of the State a just Contribution of Profits, according to my fortune, with my fellow subjects to the South of the Tweed, but I deeply regret the appearance of treating with contempt those things which our forefathers held sacred, and looked up to with reverence.

I sincerely wish to find myself unfounded in the preceding argument, and I am satisfied that the late Parliament, which passed the first Redemption Act, never meant to take any advantage of the Landed Interest by it; but it seems perfectly obvious there has been a great misunderstanding betwixt the parties, which has cost the Landed Interest several millions of money, and which they, as matters now stand, have given to the Nation, without any equivalent return; and it must appear somewhat ex-

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traordinary, that by the present Act relief is afforded to those who did not redeem their Land Tax, and who of course paid no part of these millions, which is denied to those who paid them by that redemption. It is clear that all hope of any further redemption of the old Land Tax should be abandoned, and the offices and officers for that purpose ought to be suppressed, and the salaries attached to those offices thereby saved to the Nation; for now that the business has been explained by the present Act, no Landed Proprietor will in future redeem his old Land Tax.

I shall now show how this Tax has invaded and very materially injured the just rights of the Landed Interest; and in the first place it hardly requires illustration to establish, that the annual produce of the Land must pay every Tax or Burden imposed upon the Tenant, in that character, as occupier of his farm. That annual produce must pay the Poor's Rate, the Tythe, the Expence of Seed and Labor; it must feed, cloath, and educate his family, and it must give him a fair return of Profit for his Capital employed upon the farm, and for his time, and his skill and industry bestowed upon

upon it. All these must be paid before the Landlord can receive one sixpence of rent. It follows of course that the heavier the Tenant is burdened, the less rent he can afford to give his Landlord, and as the Land bears all those Burdens, they certainly come out of the pocket of the Proprietor. It is a mere deception therefore to say, that by laying any of these Burdens directly upon the Tenant, the Landlord thereby is relieved; and although the Tenant must pay his proportion of this War Tax without relief from his Landlord during the currency of his present lease, still when a new lease comes to be bargained for, the Tenant undoubtedly will stipulate an insurance against this War Tax; and if his Landlord shall refuse it, he will insure himself, by abating his offer to the extent of that Tax, holding every year of this new proposed lease to be a period of War, and the Landlord cannot help himself; for every judicious Tenant will calculate this War Tax as one of his Burdens, and he will square his offer of rent accordingly. It is obviously therefore for the Interest of the Landlord to give the demanded insurance, as he saves this Tax in times of Peace.

From these premises, this safe conclusion follows, that the Landlord must pay the whole of this War Tax for every lease that shall be granted after this year, 1803; but the matter does not stop here, for the lands held under a lease that shall be more than seven years old when the War Tax shall be imposed, must be valued anew, as if out of lease. I cannot form to myself even a conjecture as to the Insurance the Landlord can give in this case. I know that land is never stationary; under bad management it is deteriorating fast, while under good management with a judicious application of Capital, it is in a constant and progressive state of amelioration; but for this expended Capital, the tenant certainly is a just Creditor upon his farm, and besides, from the depressed value of money and the increased value of the produce of land, every lease, in a period of ten years, may rise nearly double. Look back for these last ten or twelve years to the increased nominal value of Landed Property from these two causes, and you will find this opinion not absolutely unfounded, or much short of the truth; and if the Landlord is to insure his Tenant against this second War Tax, the Eng-
lish

lish Landlord must pay $17\frac{1}{2}$ per cent. and the Scotch Landlord must pay 15 per cent. upon the gross rent of his Lands; and as Landlords generally have the leases of their whole estates falling out nearly about the same period, and suppose the endurance of leases to be generally twenty-one years, it follows, that about two thirds of the Landed Property in the kingdom is held at all times under leases that are seven years old, and a few years of war will bring all the Landed Property under this heavy Contribution, while Funded Property, and Profits arising upon Capital employed in every other way, except in Land, will then pay only 5 per cent.

I beg leave to suppose another case, and one by no means unlikely to be realized—that the exigencies of the State may require 10 per cent. upon every other Profit, and then the Land must pay in the same ratio above 30 per cent. under the principles of this Tax.

It is easy to figure a case, in which the Landlord must pay more Tax for his Tenant than the rent amounts to. Suppose that ten years ago a Tenant of skill and capital had taken a lease of an extensive piece of Waste Land, say

a thousand acres of a newly divided Common, for thirty-one years, and in consideration of his undertaking, upon his own expence, to build houses and offices for himself and his servants, and to drain, to inclose, and to manure this ground, and to leave his buildings in compleat good order, and the farm enclosed and in a state of high cultivation at the expiration of his lease, he is to pay £100 a year of rent, (which certainly is the full value of an uncultivated waste, and it is therefore a wise transaction on the part of a Landlord, not possessed of capital sufficient to perform all these very expensive operations himself :) It is perfectly clear that this Tenant must be Creditor upon this farm for many thousands laid out at the end of the first ten years, and suppose it now valued at only forty shillings per acre, *inde* £2000 will be the nominal rent, upon which $7\frac{3}{4}$ per cent. is to be paid as the War Tax.

It will no doubt be a very violent supposition to suppose that this Tenant stipulated an insurance against this War Tax ten years before it existed; but it is very easy to suppose that this case may occur in some future war ten
years

years hence, and that the Tenant has got such an insurance from his Landlord; in that event he must pay money to his Tenant yearly to cover him, in place of receiving any rent; and if this Tax shall be increased to 2 shillings on other profits, then the unfortunate Landlord is charged $17\frac{1}{2}$ per Cent. upon £2000 a year, that is, he gets no rent, and he pays his Tenant £250 over and above the rent he loses, for every year of war.

It is obviously for the true interest of the Landlord to bar and prohibit, by express stipulation in the lease, the too high cultivation of his farm; because the more productive it is rendered, the higher it will be valued, and of course he must pay, in that ratio, a heavier Tax under this second branch of the War Tax. How far this is either kind to the Landed Interest, or wise for the Nation at large, is a proposition upon which it seems, with submission, impossible to entertain two opinions.

I know and am well acquainted with the temper and disposition of the Tenantry of Scotland; they are naturally full as jealous of their purse as the Mercantile Interest, because it is filled by slow degrees, by an aggregate of many
small

small sums, hardly earned, by frugality, and anxious industry, and they watch the outgoings with careful attention. The time has been, and that too not very remote, when they were not, as they now are, very steadily attached to Government and to their Country; and almost every man of them who is able to purchase a horse, and is at that period of life that is capable of actual service, now gallantly rides in the ranks of the Yeomanry. But if this branch of the War Tax shall not be managed with wonderful discretion by the Commissioners, it will create to general a discontent, that I dread the consequences; and I know that there still lurk in the Country some insidious Spirits, who eagerly wait for an opportunity to blow the Coal; and this Tax, under its second branch, will not only touch their purse very severely, but it points at attacking the faith of their lease, which is their *Magna Charta*.

But to return.—I humbly think that the Tenant, after knowing of this War Tax, would not lay out one Sixpence of Capital upon this Waste, without getting such a double insurance; neither would he lay it out upon a seven years lease; and consequently this Waste
must

must remain for ever in its native barren unproductive state; and had the Tenant vested that Capital in the Funds just six months ago, he would have received 5 per cent. and nearly as much more, for his money as would have paid this War Tax upon that species of Capital.

Take this case in another view, and suppose the Landlord possessed of Capital and skill equal to the improvement of this Waste, I think he will hesitate in doing so, because he certainly cannot do it at a less expence than the Tenant, and in the eighth year, when his Capital has been all expended, this now improved Waste must be valued to him, and he must pay the same Tax while in his own hand, as his Tenant not insured, must have paid.

I beg leave to put another case, of a Landed Gentleman, possessed of £5000 a year, but who, as very generally happens, owes £40,000 of debt; the 5 per cent. upon his gross rent is paid by his Tenants, and no doubt he is authorized by this Act to retain the one shilling in the pound from the interest he is to pay to his Creditor; and suppose he attempts to retain it, but his Creditor tells him, "You may retain it this year, but in two months hence
" you

“ you must pay this £40,000, because I can
 “ vest it in the National Funds, where I shall
 “ not only get 5 per Cent. but nearly as much
 “ more as will pay my War Tax upon the
 “ whole, and besides I have the fair prospect
 “ of adding nearly a third to my Capital when
 “ Peace shall come, and I will never submit to
 “ take less than 5 per cent. from you.”

What resource has this unfortunate Gentleman? He cannot raise the money, and his estate will not sell but at such an enormous loss, that half the price will hardly pay his Debt; he must therefore pay the full 5 per cent. to his Creditor. In this way he pays this Tax twice; he has already paid it, by the payment of 5 per cent. upon his gross rent, and now he pays it a second time to his Creditor.

If the Landed Proprietor dare not make this deduction from his Creditor, still less will the Commercial Debtor venture to ask it from his Creditor; but as he makes up his own account, upon which he is to be taxed, he will make the deductions from that account under the head of “Expences of Trade,” or in some one shape or another, and save both himself and his Creditor; and as the Tax is a CONTRI-

BUTION

BUTION ON PROFITS, what he pays to his Creditor cannot be stated as Profit to him that pays it away. Solomon has said, long ago, that “the borrower is the slave of the lender.”— This single example proves, that, what often appears plausible in theory, is frequently impossible in practice, and in all probability, the whole of the floating Property lent upon Bonds or Bills, will pay no Tax; for if the Debtor dare not retain, the Creditor will not pay, as he has no Schedule to give in.

But let us now again return to the Land Proprietor, and take this case in another point of view. Suppose this Gentleman to have sold his whole Estate about 18 months ago; he probably would have got 28 years purchase of £5000 a year, and suppose the price payable in 12 months after the sale, he would have paid his Debt, and by vesting the Balance of the price in the Funds, he would have got from this Balance a larger Income than if he never had owed one Sixpence of Debt; but suppose, on the other hand, that he did not sell his Estate, and he brings it to the hammer, not now, but when Peace shall have returned, the first question an intended purchaser

chafer will ask, will be the amount of the War Tax paid out of it during the last War? and he will insist that the whole of that Tax must be deducted out of the rental; and he will go a little further, and say that the double insurance must also be deducted; and as the principle of this Tax will warrant its being doubled in some future War, he will not give above 22 years purchase of this abated rental. I leave it to every Landed Proprietor to make this calculation for himself, and when he shall have made it, he will discover the wonderful difference betwixt 28 years of £5000 a year and 22 years purchase of that abated rental.

Thus, although the Tax is temporary, this Gentleman has had his Estate lessened for ever in its value by more than £40,000, or about 30 per cent. merely by the Tax being imposed upon his Land, and taken out of his gross rent; whereas had this Tax, like the one in the last War, been laid upon free Income, this Gentleman would have paid for £3000 and his Creditor for £2000; and if the Exigencies of the Government had required three or even four shillings in the pound, he would have paid it cheerfully, and his Property would have risen again

again to its original value as soon as the Tax ceased, and his distress would have been merely temporary, and as it was common to him with his fellow subjects, in the ratio of the income of each, he could not, nay he would not, have complained; and had he chose to go to market with the whole or any part of his estate, his rental would have suffered no abatement, in calculating the value of the land to be sold, as the monied purchaser had, during the War, paid the same Tax upon the free Income his Money yielded, as this Gentleman had paid upon his free rent, and consequently it was a matter of perfect indifference to the purchaser, whether, in any future War, he should pay one, two, or more shillings upon the pound of his free rent, if he should purchase the Land, or if he should keep his money in the Funds, and pay, as formerly, upon his free Income arising from that mode of vesting his Capital.

In the next place, this Tax, in so far as it is laid upon the Tenant or Occupier of the Land, seems very questionable in its principle; it is founded merely upon conjecture, and it assumes as a fact, that every Tenant in England has a return to himself of 15 Shillings

lings for every pound of Rent he pays to the Landlord; and in like manner that the Tenants in Scotland have a return to themselves of 10 Shillings for every 20 Shillings they pay to their Landlords, and upon this ground the Tenants in England are to pay $2\frac{3}{4}$ per Cent. of Tax out of their own pocket, and the tenants in Scotland are to pay $2\frac{1}{2}$ per Cent. of Tax each upon the rents they respectively pay to their Landlords.

I shall not stop to enquire whether this average is just or not, because the observations I am now to offer apply equally to the one case as to the other; but I have good reason to believe that the average is taken too high with regard to Scotland. My objection, however, is to the assumption of any conjectural calculation whatever, upon which to ground a fact of Taxation, and in order to meet the case fairly, I shall allow, that the average has been well struck for both parts of the united kingdom, and still I am induced to question the justice of a Tax founded upon a just average.

I hold that an average or a medium price is not a fact, but truly may be called a fiction

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of law, which holds a falsehood to be truth. * When I say that a medium or average price is a falsehood, I mean that it supposes some prices higher than this medium, and some prices lower, and there it is where I think the justice of this theory as applicable to taxation seems highly questionable.—Suppose, for example, that the Tenants A. and B. do truly make a greater profit than the average supposes or allows them, these Tenants to be sure will shrug up their shoulders and say they are contented, and will cheerfully pay their nine-pence or six-pence in the pound; but suppose on the other hand that C. and D. do actually make less profit than this average, they certainly have just cause to complain when they shall be called upon to pay a Tax upon imaginary profits which they never have realized, and they will complain still more loudly when they see their wealthier neighbours A and B. so much under taxed.

I beg leave to carry the objection a little further, and from my own practicable experience in husbandry, to say that an average calculation

* The Roman Lawyers define it, "quod falsum est, pro veritate habetur."

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of profits resulting from a Farm, especially for a temporary Tax as this is said to be, may for the particular year in which it is imposed, fall very far short of the truth, on one side or on the other, and in some cases, prove highly oppressive to the husbandman.

I know from my own experience, in the first place, that Husbandry Tenants, like merchants, have their good, and their bad, or unsuccessful years; and 2dly, I know that a Tenant for the first year, after he enters upon a lease, never saves himself by the crop.—In spite of all the restrictive stipulations which have been framed and inserted in Leases, the outgoing Tenant universally, as far as I have had an opportunity of knowing, has left his Farm in such miserably bad order, that his successor never has been able to bring it into a tolerably productive state for the first crop, and rarely if ever, for the second. Now suppose this temporary War Tax founded upon an average calculation, shall catch a Tenant in either of these two years, he unquestionably is taxed upon supposed profits, which in truth he has not realized, and taking the kingdom at large, there must be many such Tenants in that situation
at

at this moment, and who must be so taxed. I shall illustrate the case of Tenants in good or bad years more in detail in the Appendix.

If this view of the case shall appear well-founded, I appeal to your judgment whether the just rights of the Landed Interest have been sufficiently explained to Parliament before the present Act was passed, and I beg leave in general to observe, that every Tax which is partial in its operation, that is, when it touches only one class of people, or only one species of capital, or only one source of income, seems to me very questionable in its principle; such for example was the Shop Tax of the American War, because it affected only the Shopkeepers, and the capital they employed in the retail trade, while the wholesale Merchants, the Landed Interest, or any other Species of Capital, paid no part of that Tax, or of any other Tax corresponding to the Shop Tax.

Such also is the present Tax upon Husbandry Horses, because it is partial also in its effect, for it touches only the Corn Counties, while the Pasture Counties escape; neither do they
C pay

pay any other Tax corresponding to it, as applicable to Pasture*.

Such also is a Tax upon Land, which certainly is a Tax upon that species of capital, while mercantile capital, or capital vested in the Funds, pays no equivalent Tax, or any thing corresponding to a Land Tax.

If we trace back the history of the old Land Tax, now pretty generally redeemed, to its origin, we shall find it was first, properly speaking, imposed by Cromwell during the usurpation, and at the time it was so imposed, it pressed upon the Landed Interest with peculiar hardship and severity; they, that is the ancient nobility and gentry, very generally supported the Royal Cause; they pledged their estates, and deeply indeed did they involve them, to raise money in support of the Crown; while, with their bodies they formed a gallant phalanx around the

* Perhaps the lessening the Tax upon each Husbandry Horse, and the laying a small Tax upon each milch cow, where more than one is kept, would bring in the Pasture Counties to an equality; I say where more than one is kept. Many labourers keep one cow each, which is of prodigious advantage to them in rearing a healthy race of children, and that class of people should not be taxed.

the Throne, at the foot of which most of them shed the last drop of their blood. Their descendants inherited their loyalty, and their broken fortunes, and they bore their poverty with dignified composure; but as Cromwell both hated and feared them, his crooked policy was to depress them still more; he sent his Commissioners over the land, who took up every man's actual rental, upon which he afterwards rigorously levied four shillings in the pound, without regard to incumbrances of any kind affecting the land, or the proprietors of it.

This Tax was continued, and occasionally resorted to, both at the Restoration and the Revolution; but by the increased value of the produce of Land, the Land Tax, which originally was truly Four Shillings in the Pound, has gradually abated, and at the time of the redemption Act, it hardly averaged over the whole kingdom, more than Sixpence in the Pound of the Rent actually paid.

Habit and long usage, had thrown a veil over the original injustice of that measure, which we never should have seen through, had not that Redemption Act torn it asunder.

If, as I really believe, the Taxes on consumption are already pushed as high as they can bear, to render them efficient and productive—for universality of consumption is the life and soul of Taxation; and if, as I also firmly believe, additional Taxes are necessary, why not resort to a Tax upon Income, as in the last war.

The objections to this Tax are not founded upon the injustice of it, every man, when speaking of it in the abstract, confesses that it is fair and just, and for my own part, I do believe the sole objection is, that it looks at the mercantile purse, and the immense Personal Estate now vested in the national Funds, and this objection is concealed under the charge of *novelty*, which as to this kingdom is true; and secondly, under the fear of the injury that DISCLOSURE which it leads to, might produce in the mercantile world.

Let us shortly look at both these objections, and in the first place, although this mode of Finance is new in Great Britain, it does not from thence follow that it is unjust in its principles, on the contrary we see a Tax similar in principle now acting upon in Holland, and we have

have seen that upon great emergencies, it was always acted upon there in the best days of that Republic. This naturally leads me to consider the second objection, founded upon the fear of DISCLOSURE.

Having already quoted the example, and the precedent of Holland, I shall not stop to inquire, whether the Tax levied there attaches to Mercantile Capital or Mercantile Income, because the fear of DISCLOSURE applies equally to both; at the same time the practice of that Republic, when inquired into, seems to cut up this fear of DISCLOSURE, root and branch.

Holland formerly, when an independent State, consisted only of one class of people, viz. that of Merchants and Traders. Here then we find the States General, that is their Parliament, who impose the Taxes, composed principally of Merchants, and we find that the people who pay by far the great Bulk of those Taxes, are Merchants also, and notwithstanding this we never hear even a whisper about the fear of DISCLOSURE against this Tax, which was the heaviest imposed there, and the most productive. I think I can explain this extraordinary phenomenon

menon, and the explanation arises out of the fact, of almost the whole people, both in the States General and out of it, being Merchants; the People or the Merchants without doors, knew well that the Merchants who composed the States General, were to the full as well acquainted with the secrets and the mysteries of the mercantile calling, as they were, and they knew of course, that if the fear of DISCLOSURE should be stirred by them, the people within would laugh at it, as a mere mercantile bugbear, and would treat it with that derision and contempt it justly deserved, and therefore the Tax was paid without a murmur, and without the smallest injury to the fair Trader.

This, however, is not exactly the case in Great Britain; for although the Mercantile Interest forms a great, and I am ready to admit, a very respectable class of the taxable population of this kingdom, still they are not the single wealthy class amongst us—

“Hinc ille Lacrymæ,”

for although in dealing with each other, every man will drive as hard a bargain, as the POWER,

so

so well explained by Mr. Thornton, he possesses, enables him to do, but speak of Taxation which affects the general Interest of the whole class, and they instantly unite as one man, and they strain every nerve to save themselves, and to throw it upon the shoulders of the Landed Interest, who—

“Fruges Consumere Nati”

submit to be gulled, and muzzled like a dancing bear.

I beg leave here, shortly, to tell you a story respecting the Roman Augurs, I think it is so recorded by Cicero, who was himself an Augur; he says when two of these Augurs met, they always laughed, or perhaps, that they ought to laugh in their sleeve to each other, at the blind credulity of the people, *nous autres*, who swallowed and believed, like Gospel, the marvelous stories, and the wonderful events which these Augurs discovered and foretold, after examining the entrails of the animals sacrificed to their gods—if this cap of *nous autres* fits the head of the Landed Interest, let us wear it, and let us continue to be laughed at in the London Tavern.

Before

Before proceeding further, I beg leave to ask, in point of fact, whether any one Merchant sustained a mercantile injury by DISCLOSURE under the operation of the Income Tax of last war. I have repeatedly put that question to many mercantile men, and the answer always was in the negative so far as they knew—at the same time if I can trust the authority of the newspapers, sundry Members of the House of Commons seemed to think, that the Mercantile Character was more involved, than the Mercantile Interest hurt by the operations of that Act.

I shall now put the only two cases that I can figure to myself, in which DISCLOSURE might hurt individual Merchants, but without admitting at the same time that the Mercantile Interest at large would suffer in the smallest degree by such DISCLOSURE.

In the first case, I shall suppose a Merchant of capital and of established character, who shall conceive to himself the plan of a speculation for making his fortune at one dash, and for that purpose he embarks, not only his whole capital, but all the money also which his credit

can

can command, in one adventure; suppose in the Russian Trade; and in order that his gains may be the larger, he stands his own insurer; and suppose that his ships, and his money vested in goods, happened to be in Russia at the time of the extraordinary embargo of the late Emperor Paul, and soon after the news of this embargo arrives, the Merchant is called before the Commissioners to give in his taxable Income, and he *discloses* his situation to them; and here I must suppose, although I do it unwillingly, that the disclosure he has made gets into the world, and one of his Creditors calls upon him for payment, which he is unable to do; and is obliged to stop and declare a bankruptcy. I shall suppose also, although it is not a very probable supposition, that the Creditors treat him rigorously, and in short that he is ruined.

The first question I beg leave to ask is, whether this Merchant was altogether free from blame in thus embarking in so rash and hazardous an enterprize, without even covering himself by insurance? But, 2dly, I beg leave to ask, whether when the bills that were current for his borrowed money should become due, and

payment

payment demanded and refused, would not that refusal produce the same effect as the supposed *Disclosure*, so that his fall was only accelerated by a few weeks, and here ends the front and sum of the charge against *Disclosure* as to this particular Merchant.

In the other case I shall suppose a wholesale Swindler, that is a man without capital and without honesty, who shall endeavour by his wits to supply the want of both, and that I may offend no mercantile man by this supposition, I shall say that this man was the late *Hadfield* of notorious character, who was condemned and executed some months ago at Carlisle.

Suppose this man to have come before the Commissioners, and to have proved to their satisfaction that he had no Taxable Income, and the next day one of these Commissioners finds Mr. Hadfield, the most bustling active man upon Change, and he observes him apparently in serious conversation with his friend, whom he takes aside, and requests that he will be cautious how he deals with this new man, and suppose what generally happens to secrets, that this private communication is whispered round the Change, and
Had-

Hadfield finding himself blown, retires, and his speculations are defeated.

That Hadfield was disappointed, is a proposition I shall readily admit, but that any other Merchant suffered a Mercantile Injury, is a proposition I cannot so readily concede, and it strikes me to be very like a case I shall suppose of a friend of mine passing accidentally upon the road, where he sees two or three suspicious looking men in close conversation, and he hears them indistinctly mention my name, my house this evening, and he communicates these circumstances to me, with a view to put me upon my guard, lest my house that night should be attacked and robbed.

I confess I am not partial to the idea of Mercantile Speculation, which probably may arise, from the name and the practice being younger than myself.—I shall however illustrate the ground of my objection by the following example—permit me to suppose that the Mercantile Circulation of Great Britain is an integer of a thousand, which is divided among a hundred in various proportions in the ratio of the capital of each, and that it produces a gross return of
twelve

twelve, and a net return of eight per Cent. and that one man, who has only two of these shares, forms to himself the idea of engrossing twenty more, and he calculates that doing the business of twenty-two Shares at only four per Cent. will make him a better return than that of two Shares, which corresponds to his Capital at a return of eight per Cent. and he makes his proposal of doing the business of twenty additional Shares, at a supposed calculation of returning him only four per Cent. ; which leaves to all those who deal with him the fair prospect of a profitable return of twelve per Cent. in place of the ordinary return of eight per Cent. as they get the four per Cent. which has been given up, and therefore they deal with him ; but let me suppose that from want of Capital equal to the twenty-two Shares, or perhaps from mismanagement, as sometimes such speculative men have " more fail than ballast," a loss arises upon the whole twenty-two Shares of four per Cent. it follows that he is ruined, and all those who sold goods to him are materially injured.

Let us however hold that his speculation has suc-

succeeded, and that he has truly gained the 4 per Cent. he planned. He certainly is thereby benefited, but unless he shall have added 20 to the supposed integer of one thousand, and shall have raised it to a thousand and twenty, it seems to be a very questionable proposition indeed, whether the Mercantile circulation of Great Britain has been benefited or improved by his speculation, and if the integer still remains at a thousand, I submit whether I am not warranted in saying, that he has acquired to himself those shares which other Mercantile men have lost ; but that upon the whole matter the Mercantile circulation has not been increased.

If this example applies to the case of Mercantile speculation, I really think it follows that DISCLOSURE never can injure the fair Trader ; while at the same time it may be useful to him, by protecting him against the ensnaring address of men of less principle, and possessed of more artful insinuating powers than himself.

I believe Mr. Pitt was disappointed as to his expected return from his Income Tax ; but I have heard very intelligent men say, when he first

first proposed it, that he had taken it too high; but if Parliament shall be satisfied that *Disclosure* is a mere mercantile bug-bear, the shadow of a shade, I can see no possible objection against strengthening the hands of the Commissioners with more power; for if these Commissioners shall be honest men, they will exercise that power only when in their discretion they shall find the exercise of it necessary to investigate, to sift, and to detect an attempt to fraudulent concealment, and every honest man will give them the credit of having done no more than their duty when they shall have thus detected fraud: And when the exigencies of the State shall require *a large contribution upon profits*, it is, in my opinion, a libel upon Our Glorious Constitution to say, that the Law cannot be made so strong, as effectually to compel a wealthy unprincipled Knave to come forward with a fair contribution to the State in the *ratio* of his fortune; and it is only such men who will feel the weight, or the force, of that Law, and I trust every good man will say they deserve to feel it.

I beg leave to say further, that the present Act

Act seems to me to be liable to this very strong objection; that the Landed Interest, who under the former Income Act were not particularly accused of concealment, are now the only class of people in the nation who by this Act are denied the privilege of making up their own account upon which they are to be taxed, and that they are further called upon, and in a manner compelled, to inform against their Creditors, many of whom will probably throw them into jail, in three months after they shall have given the information.

This single circumstance which I have endeavoured to illustrate, irresistibly proves that a fine abstract theory is, in many cases, and in this one in particular, incapable of being reduced to practice, and for any thing I can discover in this Act to the contrary, it strikes me, that a man who can so subdivide his different concerns, as to bring his declarations before two sets of Commissioners, may plead and obtain from each, the Exemptions and Abatements arising from children; and as the Commissioners, if I understand the Act right, are to be *mutes*,
and

and to have no correspondence or conversation with each other upon their respective Duties, or the declarations which have been made to them respectively, I am at a loss to discover how this double Claim of Abatement for Children, can be detected.

The conclusion I draw from the whole matter resolves itself into this single proposition, that the just rights of the Landed Interest have been, unintentionally I admit, but truly, invaded, and materially injured by the mode now adopted, of *levying a contribution of profits upon property*; and I am also of opinion, that they cannot be restored or defended against this injury, without resorting to the Income Tax of last War; and if the wisdom of Parliament shall judge it necessary, let the Commissioners, who are to discharge that Duty, be armed with a stronger authority, than hitherto it has been thought proper to entrust them with, to trace, to check, and to detect fraudulent concealment.

These ideas upon this important subject are not dictated by any little prejudice against one Minister, nor an unbecoming partiality for another.— My years and my situation in life leave me nothing

thing to hope or to fear from any Minister, and the strong impulse of Duty to my country alone, has led me to say what I have now said—

*“Vive, vale si quid novisti rectius istis,
“Candidus imperti; si non, his utere mecum.”*

HOR.

Edinburgh, Dec. 1803.

APPENDIX.

IN order to illustrate what I mean by good or bad years in husbandry, I shall take crop 1798 to illustrate the first, and crop 1799 the second.

Crop 1798 was a very abundant crop indeed, and although the prices were very moderate, the husbandman was amply paid from the extraordinary quantity he carried to market, and he could have afforded to have paid a reasonable tax out of the profits of that year. But the crop that followed, in 1799, was the worst and the most unproductive I ever had occasion to observe; and I know that not a few of the tenants of my acquaintance were unable to pay the rent for it at the stipulated times of payment, and had they not been indulged in time, many of them would have suffered

suffered severely:—in short, the crop did not pay the rent, the expences of labour, and feed for the ensuing crop, in many cases. But crop 1800, although not abundant, by having a great deal to do, following so bad a year, gave a price so high as enabled the tenants to pay up the arrears of the preceding crop, and the rent of that crop also; for the country being empty, they began upon crop 1800 as soon almost as it came from the sickle, and a demand for bread pressed upon the husbandmen faster than they could thresh out to supply the market, almost to the succeeding harvest; and in this way the price of bread-corn was kept higher than the actual necessities of the country and the productive quality of the crop would have warranted, had it not followed so bad a year.

As this is a case that few men unacquainted with husbandry will be disposed to allow, and a case also that some men who think themselves acquainted with it, will hardly grant, I shall put a case, which I humbly think will make my proposition plain to every man, whether acquainted with husbandry or not.

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The first proposition I assume is, that generally, a farm, in a high state of productive cultivation, requires about thirty per cent. of the gross produce of the preceding crop to be expended and laid out in preparing for the next crop; and the most active industrious husbandman, who shall feed his own horses and yoke his own ploughs, that is, who sees the business done himself, will hardly be able to save five per cent. short of this calculation. Now allow me to suppose, that the average produce of a farm is twelve, and I shall here make the calculation broad, and suppose the lease is twelve or fifteen years old, and that four, or one-third of this twelve, is equal to the rent, and that the four or one-third shall be equal to the expence of labour, &c. with the exception only of seed; and the tenant has another four, or the remaining third, for the expence of seed, for the maintenance of his family, for the interest of his stock, and a fair return for his industry and skill; and in making these calculations I am taking them broader than the fact will bear me out: but if the calculation I am now to make shall be found just, I am still at home.

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We all know that the general report made of the deficiency of that crop was nearly a half.— At the same time I admit this was not my opinion, because those who held that language compared it with the immediate preceding crop 1798, which was a superabundant crop, without looking farther back, and in that view they were not materially wrong: but it is enough for my purpose to say, what certainly is within the fact, that it was one-third short of the Average of twelve, of course there remains eight, out of which the rent is to be paid; and if we shall suppose that it was to be paid in corn, (which almost universally was the custom in the husbandry counties of Scotland forty years ago, and is now again coming round, and is very generally becoming the practice.)—And suppose four for the rent, there remains four for the tenant, out of which you must deduct the seed for the ensuing crop, which ought to be taken larger than ordinary because the quality of the corn was bad. Secondly, The corn for his horses. Thirdly, The wages for his servants, which in Scotland are generally paid in kind. But it matters not much, because the wages of the labourer must feed him and his family, and of course wages in money would bear a near proportion

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to the wages in kind. Fourthly, Take the food of the tenant's family out of this remaining fourth, and, after making these deductions, I leave it to every experienced husbandman to say how much remained with the tenant to go to market; and whether I have not made my calculations in favour of the tenant broader than the leases let in Scotland, at least within these ten years, do warrant.

Some speculative agriculturists may perhaps say, that the husbandman should employ oxen in place of horses, and he will thereby save all the corn that his husbandry horses consume; and I admit that each husbandry horse consumes about eight quarters of oats yearly. But I beg leave to refer him to this general proposition, that progressively in Great Britain, as each several county has taken to active enterprising husbandry, in that ratio each county has abandoned oxen, and taken to horses in husbandry; and if I am right in the fact, speculative theory must yield something to the wisdom of universal usage.

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