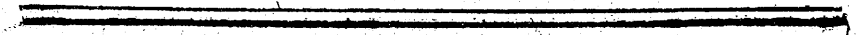


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AN
 ESSAY
 ON THE
 CAUSES
 OF THE
 PRESENT HIGH PRICE
 OF
 PROVISIONS,
 AS CONNECTED WITH
 LUXURY, CURRENCY, TAXES,
 AND
 NATIONAL DEBT.



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Y A S S E

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AND

NATIONAL DEBTS.

L. O. H. O. I.

Printed by J. O. H. O. I. at the ...

ADVERTISEMENT.

THE importance of the subject of this Essay has produced a variety of trifling publications: Perhaps it is the Author's vanity that prevents him from discovering that he is adding one to the number: Perhaps, too it is his ignorance that is the cause of his fears, and prevents him from observing that this nation is at present as flourishing in peace, as it was formerly successful in war. It will give him a sensible pleasure to find that he is mistaken in his observations; that trade and manufactures are not in a declining state; and that the crisis which he represents as fast approaching is at the distance of ages. But, on the other hand, if his observations are just; if the present distressed situation of the kingdom, arising from the high price of provisions, so loudly complained of, is not owing to bad crops, or such accidents as may soon be removed,—but the certain and unavoidable consequence of the great increase of luxury, currency, taxes, and national debts; if trade and manufactures are

are declining, and both husbandmen and manufacturers leaving the kingdom ; if there are striking marks of a fast approaching and alarming crisis, then something more is necessary for working out our salvation than a few regulations with respect to the exportation and importation of corn. To do any thing effectually, the evil must be searched to the bottom ; and the strongest efforts made to remove the causes of it : This is a thing that can be done only by the Legislator, and, it is hoped, that in so important a matter, all parties will chearfully join.

AN
 ESSAY
 ON THE
 CAUSES
 OF THE
 PRESENT HIGH PRICE
 OF
 PROVISIONS, &c.

THE price of provisions is a matter of the greatest importance to society. When low, idleness is encouraged ; and when high, the poor are distressed, and manufacturers suffer. In these kingdoms, for some years past, the price of provisions has been complained of as very high. The complaints of the people have gained the attention of the Legislature, and remedies have been applied to remove the evil. The importance of the affair demands the attention of all that are capable to judge of it ; and

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this is the more necessary at present, because, by the things applied as remedies, the evil may possibly in the end be rather heightened than removed. In every case, before a remedy is applied, the cause of the evil ought to be diligently enquired into, and when this is found, then, but not till then, it may be known what application can be made with greatest safety.

There are a variety of things in society that are so inseparately connected together, that it is impossible to make an alteration in one, without almost immediately affecting the others; and there is not any thing that has more connections of this kind, than the price of provisions. The situation of those things ought to be considered, and the changes which they have undergone carefully attended to; and when this is done, perhaps it will appear, that the present price of provisions, tho' greatly complained of, is not much higher than the present situation of the things, with which it is connected, must naturally produce; and if this is the case, it becomes more necessary to reform the manners and practices that have raised the price of provisions, than to remedy the present evil, or still the present clamour by a measure, which, if continued, may possibly produce the most fatal consequences.

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The price of provisions depends upon the following things: The quantity brought to market; the extent of the demand; and the state of our currency, taxes, and national debt. The present situation of these things must then be considered, and the changes which they have lately undergone attended to, before we can know what has raised the price of provisions, or whether or not the price of these ought to be at present considered as high or low.

Dearness and cheapness are relative terms, and imply a fixed standard, to which the price of things is reduced. When the price is above this standard, it is said to be high: When below this standard, it is said to be low. Every man makes a standard for himself; and this is the average price of the commodity, or what was reckoned so, 20, 30, 40, or even 50 years ago, according to the time that he has lived in the world. This at first sight must appear a very improper way of fixing a standard to determine, whether the price of provisions in this kingdom ought to be reckoned high or low. As this price depends upon the situation of other things, if the situation of these things has been changed, the price of provisions must in consequence of this have been also changed; and therefore the standard itself, by which the nature of the price is to be determined

terminated ought likewise to be changed, and raised or lowered according to the circumstances.

Now the design of this essay is to enquire whether or not the situation of the things mentioned, with which the price of provisions is immediately connected, is so far changed of late as to raise the standard, to which the price of these ought to be referred, nearly to the present price; and consequently, whether this price ought to be reckoned exorbitant; or, while the nation continues in its present situation, whether there is any ground to expect that it may be reduced.

The quantity of provisions brought to market, is the first thing that was mentioned upon which the price depends. It is proper therefore to enquire, whether there is any change in it. The price of provisions, and indeed of every other commodity, rises or falls according to the quantity exposed to sale: If the quantity exceeds the demand, the price naturally falls, if the demand exceeds the quantity, the price naturally rises.

Some persons are of opinion, that the quantity of provisions brought to market for several years preceeding, falls far short of the quantity in former times; and that this is the principal cause of the present high price.

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They endeavour to account for this by various ways. It will not be amiss to examine these.

It is said, that our seasons for these five or six years past have been very unfavourable, and that our lands have not produced the usual quantity. That some of the seasons, during the period mentioned, were rather unfavourable, is probably true; but whether or not our lands, during the whole of this period, have produced much less than usual, requires very extensive knowledge to determine, more probably, than any private person has opportunity of acquiring. It is true, that we formerly exported large quantities of grain; and now the whole is consumed within the island: But this proves nothing to the purpose; because it is possible, that some of our corn-lands have been applied to other purposes; or that the internal consumption has greatly increased. In either of these cases, there may be no corn for exportation, though our lands should be as fertile as formerly.

BUT let us enquire, Whether there are any other facts from which we may be able to form a probable conjecture on this subject? If we are acquainted with the former, as well as the present state of the country; if we know the rent of land, and the value of its produce in former times; and compare these
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with the present rent, and present value, we will at least find out the opinion of the farmers; and they are certainly the most proper judges. Every farmer certainly knows the nature of his own crops; if he is attentive, frequently attends market, has occasion often to view the country around him, and to converse with other farmers, he knows much more; he knows the nature of the crops on all the lands within his circle, or that supply the markets which he attends himself, or which are attended by those with whom he converses. Now, when the price of provisions is raised by bad crops, land continues of the same value, and the farmer cannot afford a higher rent: For in this case he reaps no benefit from the advancement of the price, because, in proportion to this, the quantity which he sends to market is lessened. But when the price is raised by other causes, the produce of land becomes more valuable, and, in proportion to this, the farmer can afford an advancement of rent. When therefore the rise of rents keeps pace with the price of provisions, it is a certain evidence, that in the opinion of the farmers, the advancement of the price is not owing to bad crops. If the present state of the corn-countries in the south part of Scotland is considered, and compared with their former state, it will probably appear, that the rent of land has advanced
nearly

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nearly in the same proportion as the price of grain and cattle. Perhaps it may be alledged; that this advance of rent is owing to the improvements that have been made, and the better schemes of agriculture that have been introduced. That these have had great influence is not to be doubted: It is even probable, that they have prevented the price of provisions from rising so high as otherwise it would have done: But that they are not the principal and general causes of the rise of rents is obvious from these observations; that rents have risen nearly in the proportion mentioned in places where no improvements have been made; that where money has been laid out with judgment, rents have risen in a much higher proportion; and that the more expensive way of living, into which our farmers have naturally fallen along with all other ranks of men, is sufficient to balance all the superior skill and industry which it is supposed they have acquired.

PERHAPS it may likewise be alledged, that this advance of rent is owing to the practice of enlarging farms, or turning many small farms into one. By this, it is said, one man having the profits of many, can thereby afford to give more rent. Where farms are so small that the farmers themselves are the labourers, it may be observed, that they live little better than hinds, at least, it may be as-
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serted, that the interest of the farmer's stock makes all the difference. Now supposing that several farms of this kind are turned into one, if the farmer is obliged to maintain as many labourers as were upon the farm in its former situation, and if the value of its productions are the same, it is evident, that he has no more to live upon than the interest of his stock, except the additional produce that arises from his superior skill. In this situation he can afford no advance of rent, if he has no advantage but what arises from his having the profits of many united in one, he cannot afford so much. In cases in which additions have been made to farms where the farmers were not the labourers, though the profits of perhaps two or more have been united into one, yet these united profits are balanced by the manner in which the greater farmer lives, which is proportionably more expensive than that of the smaller farmer. But to put the matter beyond all dispute, it may be observed, that in many places where there is no change made in the size of farms, the rents have been raised nearly in the same proportion as in those where this change has taken place.

THE advancement of rent, therefore, in the part of the country mentioned, must be considered as owing in general to the advancement in the prices of grain; and if the case is

is the same in other parts of the kingdom, it is almost a certain evidence that the present high price of provisions is not owing to any deficiency in our crops.

It is likewise said, that of late the size of farms has greatly increased; that our farmers are become a richer set of men; that in consequence of this, they are become indolent, and instead of making the most of their farms, by keeping them in tillage, they lay them off in grass, because in this situation they are more easily managed. This has greatly the appearance of a conjecture made by a man altogether unacquainted with country affairs, and misled by some changes which he has observed in some parts of the country, through which he has had occasion to travel. It is a certain truth, that a great quantity of our best lands, formerly in tillage, is now lying in grass; but it is rather too hasty in a citizen to conclude that this is owing to the ignorance and indolence of the farmers. Instead of this, it ought to be considered rather as an evidence of their skill and industry. It requires as much skill to raise grass as corn; and as much industry and diligence is required in the gra- sier as in the corn-farmer. However, as this change is important, it may not be improper to enquire both into the cause and consequence of it.

SUPPOSING that farmers are influenced by the same motives with other dealers, as is certainly the case, it may be expected that they will always endeavour to lay out their farms in such a way as to be most profitable to themselves. It is vain to imagine that they are to enquire, whether the laying their lands in grass, or employing them in tillage, is most for the advantage of the society: And it is as vain to expect that tho' they should know this, it will have any influence upon their management. To make inquiries for the good of society, is the concern of others, and is no part of their business. Their chief study is to raise upon their farms what brings them most money in the market. If they have therefore laid off more of their lands in grass than they used to do formerly, they certainly have been engaged to do this by the advanced price of cattle, butcher-meat, and the other produce of grass: And while they find their advantage in this, vain is it to expect that they will alter their plan. With respect to society, there are quantities of butcher-meat, butter, cheese, &c. that are equal to corresponding quantities of grain, that is, are equal, considered as food for men: And when a given quantity of land produces larger quantities of grain than of butcher-meat, &c. then land in grass is a real loss to
society

society. But the farmer has nothing to do with calculations of this kind. With respect to him, there are prices of cattle, &c. that are equal to corresponding prices of grain: And whenever the prices of cattle, &c. exceed the correspondent prices of grain, he naturally lays off some of his corn-land in grass; and when the prices of grain exceed the correspondent prices of cattle, he as naturally brings some of his grass-lands into tillage. So that the proportion betwixt the corn and grass-lands in the kingdom will always be regulated by the proportion betwixt the price of cattle and the price of grain. If the quantity of grass-land at present in the kingdom is owing to the indolence of the farmers, the consequence would be, that the price of grain would be complained of as higher than the price of butcher-meat: But this is not the case; for complaints are as loud on account of the high price of the one as of the other; a certain evidence that there is not as yet a greater proportion of grass than of corn-land. To account, therefore, for the great quantity of land at present lying in grass, it is not necessary to have recourse to the indolence of the rich farmers: The great demand for butcher-meat, and the other produce of grass, having raised the price of these above the corresponding price of
grain,

grain, has naturally produced this effect; and while this great demand continues, vain is it to expect that farmers will alter their plan.

HAVING thus enquired into the cause of this change in our fields, let us next enquire into its consequences.

THE consequences of turning part of our corn-lands into grass, are different, according to the different schemes of agriculture prosecuted by the farmers in different places. In Scotland, our most intelligent farmers have introduced grass for hay and pasture into their schemes of agriculture. Land, after being kept in tillage for some time, is laid off in grass, and allowed to remain, perhaps as long in this situation as it was in the other. It must be observed, however, that the grass which this land produces, though sown with the best kinds of grass-seeds is not so valuable as old grass. It may perhaps produce as great a weight of meat in the season; but it does not raise it to so high a pitch of fatness. However, this method of managing grass-land, though it does not produce the fattest meat, is the most advantageous to the country; for land that is in corn and grass alternately for an equal number of years, produces as much corn as if kept always in tillage; so that its produce in the years of grass is to be considered as clear gain. This is

is a matter of importance; it is necessary, therefore, that it be properly understood.

SUPPOSE a farm formerly in tillage, consisting of 220 acres, 200 of these always in corn, at least in tillage, and the remaining 20 in grass for the cattle necessary on the farm. Suppose further, that this farm is now managed in such a manner, that one half is always in grass, and the other half in corn, remaining in each alternately for seven years. Now it is asserted, that this farm, in its present situation, sends as much grain to market as it did in its former situation, besides the quantity of butcher-meat, butter, and cheese, which it produces more than formerly.

Every person acquainted with agriculture will allow, that four quarters, or eight bolls on the acre, in what we have supposed the present situation of the farm, is a crop nothing more extraordinary than two quarters and six bushels, or five and one-half bolls on the acre in its former situation. Besides, as the land of the farm, in its present situation, is supposed in better order, an acre takes less corn to sow it, and less strength to manage it. We cannot be far from the truth when we suppose, that the farm in its former situation took 200 bolls to sow the 200 acres in tillage, and for the culture of these 200 acres took

took five ploughs, or 20 horses and 10 servants: And that the farm in its present situation takes only 100 bolls to sow the 110 acres in tillage, and only two ploughs, or eight horses and four servants: Let us further suppose, that each horse consumes at the rate of six bolls in the year, and each servant in his family at the rate of eight bolls, that the taker or thresher consumes two thirds of his lot, and the smith and wright the whole corn commonly given to them.—

The accompt then stands thus:

200 acres at 5½ bolls,	1100
To be deducted,	
Seed,	200
20 horses at 6 bolls each,	120
10 servants at 8 bolls each,	80
Two thirds of the thresher's lot consumed,	30
Paid to the smith and wright,	8
Consumed in the farmer's family,	30
Consumed in harvest,	15
	<hr/> 483
Corn sent to market,	617

110 acres at 8 bolls,	880
To be deducted,	
Seed,	100
8 horses at 6 bolls each,	48
4 servants at 8 bolls each,	32
Two thirds of the thresher's lot consumed,	24
Paid to the smith and wright,	3
Consumed in the farmer's family,	30
Consumed in harvest,	10
	<hr/> 247
Corn sent to market,	633

So that if the above accompts are properly stated, a farm, when one half of it is in grass, sends more corn to market, than when almost the whole of it is in tillage; and when butcher-meat, and the other produce of grass, are taken into the accompt, it is certain, that a farm managed in this way is much more beneficial to society, than one managed in the other way.

A plan of management, very different from this, is followed in many of the most fertile counties of England; and in those counties too, where agriculture is supposed to be brought to the highest perfection. The arable lands are kept in constant tillage; and the grass lands, whether meadows or upland pastures, are kept perpetually in grass. The older

older that grass is, it raises cattle to a proportionably higher pitch of fatness, and on this account is reckoned the more valuable. As the increase of the quantity of grass-land is owing to the increase of the demand for butcher-meat in general; so the high value set upon old grass is owing to the high price given for this high fed butcher-meat in particular. It does not belong to the design of this essay to compare together the schemes of management followed by the Scots and English farmers, and to enquire which of the two is the most beneficial with respect to the value of the produce; all that the present subject requires is, to enquire into the consequences of them as affecting the prices of provisions. It has already been shown what is the consequence of the scheme of husbandry prosecuted by the Scots farmer; let us now enquire what is the consequence of the different scheme of husbandry prosecuted by the English farmer; And indeed this is very obvious. When the quantity of land in tillage is lessened, and nothing done to better what remains, the quantity of corn produced must likewise be lessened; and to supply this deficiency of corn, there is not much more butcher-meat brought to market; only what is brought is in higher perfection. But this is not all, there is not only nothing done to better the land remaining in tillage; but when grass becomes

becomes the principal object, less is done for corn-land than formerly; a greater proportion of the dung of the farm is applied to the meadows and pastures: by this the corn-lands being robbed, must be more frequently fallowed, or green crops more frequently taken to keep them in tolerable order.

EVERY person may easily satisfy himself, whether or not the taste for high fed butcher-meat has increased of late. If it has, the demand must likewise have increased, and the price been raised; and if in consequence of this the English farmers have laid off a quantity of their arable lands in grass, and been less attentive to the culture of corn; the natural consequence of this is, that provisions in general are reduced in their quantity, and therefore must be raised in their price.

It may perhaps be thought necessary to distinguish betwixt the quantity of provisions produced by our lands, and the quantity brought to market. Some persons assert that the farmers are rich, and in consequence of this can afford to keep up their grain till an exorbitant price tempts them to sell it. It may be asserted with the same propriety, that the land-holders are rich, and can afford to live without receiving any rent, till the exorbitant prices tempt the farmers to sell their corn and cattle. It is absurd to suppose that

so numerous a body of men as the farmers are, can combine to raise the price of corn, though they could afford to keep it up, which is the case with but a very few: Yet whenever provisions are dear there is a general outcry of this kind among the people in towns. This outcry is often made at a season of the year when there are very few farmers that have more corn in their possession than is necessary for their families till such time as the new crop is gathered. Any power which they have to keep up their grain can never be misapplied. By it they may do good to the country; but it is ridiculous to suppose that by it they can do any hurt. By keeping up their corn in years of plenty, they may indeed prevent the price from falling so low, as it would do if the whole of it should be brought to market; but then the consequence of this conduct is, that in times of scarcity there is a larger quantity of corn brought to market, and thereby the price prevented from being raised so high as otherwise it would be. Let us suppose that farmers are deprived of the power of keeping up a part of their corn in seasons of plenty, and obliged to bring their whole crop annually to market, what would be the consequence of this? Would not the prices of corn become much more fluctuating? Would not they fall much lower in times of plenty, and
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rise much higher in times of scarcity? a thing that is destructive to industry, and the morals of men; as well as hurtful to trade, and manufactures.

WHEN the price of provisions is high, there is not only an outcry raised against the farmer; all dealers in corn and other provisions, are likewise accused of creating an artificial scarcity, and are called engrossers and forestallers. It is certainly a very dangerous thing to allow the corn-trade to be engrossed by a few persons: For when this is the case, they have it in their power, particularly in times of scarcity, by combining together, to fix the prices, and to distress the country. It has been alledged, though perhaps without foundation, that sometimes very extraordinary methods have been taken in this country to affect the prices of corn: That corn has been bought up in a part of the country where the crop was known to have failed; this corn carried off, and sent to another part of the country, where the crop was known to be good, and where it was proposed to buy corn for the supply of the demand, that the failing of the crop in that part of the country was expected to occasion. By this management corn was rendered dearer in the place where it was to be sold, and cheaper in the place where it was to be bought. Things of this kind cannot be done
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except when the trade is in few hands ; and thereby both the raiser and consumer of corn kept in ignorance ; neither can they be often repeated with success. Tho' some persons may take advantage of some particular situations and circumstances ; and thereby acquire to themselves exorbitant profits ; yet this does not happen so often as to give any just ground to call the dealers in corn, and other provisions, as is commonly done, engrossers or oppressors. It may be easily known what are the profits of these persons ; and from this it may be judged whether they deserve the names given them. There are many markets in the kingdom supplied immediately by farmers. The difference betwixt the price in these markets, and in the markets supplied by merchants, making a reasonable allowance for the expence of buying and carrying, is the profit. Every person has now an opportunity of knowing the prices of grain in the different counties in England ; and whoever compares these will find no reason to believe, that engrossing and forestalling are at present carried on to the prejudice of the community.

THE second thing mentioned that affects the price of provisions, is the demand. It is well known, that when an equal quantity of commodities are regularly brought to market, the price depends upon the demand. When the

the demand increases, the price rises ; and when the demand is lessened, the price falls.

THE demand for provisions is affected two different ways ; by exportation, and by the increase or decrease of home-consumption.

By exportation, no doubt, the demand is increased, and the price raised. But this is not the cause of the present high prices of provisions ; for there has been no exportation for several years preceeding, even sometimes of late, importation, as at present, has been allowed ; and by this, tho' the demand is not lessened, yet, a larger quantity is brought to market, which produces the same effect. The propriety of these measures, the prohibiting exportation, and allowing importation, does not come under our consideration at present ; however, it may not be improper to observe, that if the present price of butcher-meat, and the other produce of grass, exceeds the corresponding price of grain, and the farmers in consequence of this, are continuing to lay off still more of their corn-lands in grass, some method ought certainly to be fallen upon to raise the price of grain above the corresponding price of butcher-meat, or rather to bring the price of butcher-meat below the corresponding price of grain, that so the farmers may be engaged to alter their plan, and break up some of their grass-lands.

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THE demand for provisions is affected not only by exportation, but also by the increase of home-consumpt; and home-consumpt is affected in these two ways, by the number of inhabitants, and by their manner of living.

As the number of inhabitants increases, or decreases, so the demand for provisions increases or decreases likewise. Whether the inhabitants of this kingdom have of late years increased or decreased, is a question not difficult to determine. When we reflect upon the numbers destroyed by the last war, when we consider the numbers annually exported to America, and to the East and West-Indies, and when we compare the number of unmarried with the number of married persons, we have reason to conclude, that the inhabitants of this island have not for many years past increased. If the demand therefore for provisions has increased of late years, it is not owing to this cause.

THE other thing that affects the home-consumpt of provisions mentioned, is the manner in which the inhabitants live. A change in the one, makes a proportional change in the other. As luxury increases or decreases, so consumpt increases or decreases likewise. That the inhabitants of this kingdom have of late years changed their way of living in a very remarkable manner, and greatly increased in luxury, is a truth of which

which every person, who has lived any time in it, must be sensible. Let us compare the way of living at present with what persons not very old may remember, and we must observe a remarkable difference. If we take a view of our markets for butcher-meat, &c. we will find, that, in the course of 20 or 30 years, the quantities in some places have been doubled, in others tripled, without any decrease in the places that have gone most to decay. If we enquire into the nature of the dishes placed upon the tables of our great people, we will find, that of the meat which some time ago appeared in its natural form, nothing is now presented but its essence in soups, sauces and gravies, while the meat itself is thrown into the kennel. If we take a view of the tables of the principal inhabitants in our cities and towns, we find a proportional waste of provision; and if we attend to the manner of living amongst the lower class, we find many families living now chiefly upon animal food, that formerly seldom tasted it except on holy-days.

THERE is as great a change in the equipages as in the tables of men. In stations in which men commonly walked a-foot, many now keep riding horses, some carriages, and even some both of these. Besides what an additional number of horses is used for chaises, and the other machines, every where

now employed for the conveniency of travellers; and what an additional number is used for carriages to our additional buildings and other works, the effects of luxury and taste. Every person is sensible of these things, but every person does not consider the effect that all of them must have upon the price of provisions. A kind of calculation may be attempted, which, tho' not just, will however serve to show what effect these things must produce.

LET it be supposed then, that there are 10,000 families that consume daily 3 lb. of beef or mutton each, in essences unknown to our forefathers, and that there are 20,000 more that consume the same quantity of animal food each, more than persons of their rank formerly. This makes 90,000 lb. each day, which in the year is 2,346,428 stones. Now to raise 100 stones of beef or mutton, eight acres of land are required. To fatten two ordinary bullocks of 50 stones each, three acres are necessary, and five acres scarcely sufficient for rearing them to a proper age, at this rate to raise the above quantity of beef, 187,714 acres are required.

LET it be supposed likewise, that there are maintained just now in Britain 30,000 horses more than formerly. To maintain this number, 90,000 acres of land are required, which is at the rate of three acres each. Al-

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lowing for accidents, 4500 horses annually are necessary for recruiting the above 30,000; and to rear these 4500 horses at seven acres each, 31,500 acres are required, which added to the former sum of 90,000 acres, make in all 121,500 acres necessary for rearing and maintaining the extraordinary number of horses; these 121,500 acres added to the 187,714 acres, necessary for raising the extraordinary quantity of beef or mutton demanded, make in whole 309,214 acres, as necessary for the support of that degree of luxury to which we have arrived in this age above what was known to our fathers. The produce of this land in corn, as it has been supposed very good, may be estimated at three quarters, besides the seed for each acre, which makes in all 927,642 quarters, a quantity almost sufficient to maintain the families of 200,000 labourers, tho' they should live chiefly on grain.

PERHAPS I have exceeded in my suppositions, and that there is not such an additional quantity of meat consumed, nor such an additional number of horses maintained; however, to persons that consider and compare things with attention, it will probably appear, that I have stated them rather under than beyond the truth: But whatever is in this, it is most certain, that

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as we have encreased greatly in luxury, and as our common people live much better than formerly, a very considerable quantity of land is necessary to supply the extraordinary demands made by this luxury, and in consequence of this, the price of provisions must be greatly raised.

THE gentlemen therefore in cities and towns, need not look into the country among the land-holders and farmers for the cause of the present high price of provisions. Let them attend to the change in their own way of living, from that of persons in their stations formerly, and they will not find it a difficult matter to account for the change, of which they so loudly complain. Perhaps these gentlemen may say, that they are more considerable merchants and manufacturers than their fathers: That they deal to a greater extent, and that therefore, from their additional incomes, they can afford to live better than they. This may be a very good reason for their behaviour, but it is nothing to the present purpose; for, if there is an additional consumpt, and in consequence of this, an additional demand, it is no matter whether or not the persons that make this demand have a just title to do it; the effect is the same, by it the price of provisions must be raised.

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THE third thing I mentioned, by which the price of provisions is affected, is the state of our currency. It is certain, that the price of merchandize depends upon the proportion that the quantity in the market bears to the quantity of the current specie. The Baron de Montesquieu, treating of this subject, says, "If we compare the mass of gold and silver in the whole world with the quantity of merchandizes therein contained, it is evident that every commodity, or merchandize in particular, may be compared to a certain portion of the entire mass of gold and silver. As the total of the one is to the total of the other, so part of the one will be to part of the other. Let us suppose that there is only one commodity or merchandize in the world, or only one to be purchased, and that this is divisible, like money, a part of this merchandize will answer to a part of the mass of gold and silver; the half of the total of the one to the half of the total of the other; the tenth, the hundredth, the thousandth part of the one, to the tenth, the hundredth, the thousandth part of the other. But as that which constitutes property amongst mankind is not all at once in trade, and as the metals, or money, which are the signs of property, are not all in trade at the same

“ same time, the price is fixed in the com-
 “ pound *ratio* of the total of things with the
 “ total of signs, and that of the total of
 “ things in trade with the total of signs in
 “ trade also; and as the things which are
 “ not in trade to-day may be in trade to-
 “ morrow, and the signs not now in trade
 “ may enter into trade at the same time,
 “ the establishment of the price of things
 “ fundamentally depends on the proportion
 “ of the total of things to the total of
 “ signs*.” We are not to imagine, how-
 ever, that the quantity of gold and silver,
 that is the sign of such a quantity of mer-
 chandize, is equal in value to this merchan-
 dize; for in this case, every trader, reckon-
 ing one with another, would have always the
 same value of gold and silver in his posses-
 sion that he has of value in merchandize.
 The quantity of gold and silver, which is
 the sign of the proportional quantity of
 merchandize, is of more or less value with
 respect to this merchandize, as the currency
 is quick or slow. When the currency is
 quick, its value with respect to the merchan-
 dize is proportionably less; when it is slow,
 its value is proportionably more. Suppose
 that there are twelve persons in a society by
 themselves, of different employments, and
 equal stocks, with a certain quantity of gold

* Spirit of Laws, Book xxii. Chap. vii.

and

and silver for currency, and that they regula-
 rly dispose of to each other and purchase
 from each other monthly one twelfth of their
 stocks. Now, in this case, the gold and sil-
 ver used by these persons, for the signs of
 their merchandize, have such a value put
 upon them as to render the whole equal in
 value to one twelfth of their whole stock in
 trade; for as they have all equal stocks, and
 each of them disposes monthly of one twelfth
 of his stock, it follows that each of them
 receives monthly one twelfth of the gold
 and silver, and consequently the whole of
 it passes through the hands of each of
 them in the course of the year: And as
 the whole stock of each is disposed of during
 this period, the whole gold and silver is e-
 qual in value to the stock of each, and to
 one twelfth of the value of the whole. On
 the other hand, let us suppose that there are
 twenty-four persons in the situation men-
 tioned, and that each disposes of two twen-
 ty-fourths of his stock monthly, at different
 times, then the whole currency passes in the
 course of the year through the hands of each
 of the twenty-four in this case, as through
 the hands of the twelve in the other, and is
 equal in value to the stock of each, which is
 no more than one twenty-fourth of the va-
 lue of the whole. So that the whole cur-
 rency, multiplied by the number of hands
 through which it passes in a given time, is e-
 qual

qual in value to the whole merchandize in trade of these persons during that period.

WHAT is the case with the world in general, as represented by the Baron, is nearly the same with respect to every nation in particular. The whole merchandize, in any nation, answers to the whole currency, and each part of the merchandize to the same part of the currency: So that when the currency continues the same, and the merchandize is increased, the same quantity of currency purchases a larger quantity of merchandize, or, which is the same thing, the price falls. On the other hand, when the merchandize continues the same, and the currency is increased, then it takes a larger quantity of currency to purchase the same quantity of merchandize; or, which is the same thing, the price rises. When there is a change in both, which produces contrary effects, then the price either rises or falls, according as the one or the other prevails. Observe what the same Baron de Montesquieu says on this part of the subject: "If

" since the discovery of the Indies, gold and
 " silver have increased in Europe in the
 " proportion of one to twenty, the price of
 " provisions and merchandizes must have
 " been enhanced in proportion of one to
 " twenty. But if, on the other hand, the
 " number of merchandizes has increased as

" one

" one to two, it of course follows, that the
 " price of these merchandizes and provi-
 " sions having been raised in proportion of
 " one to twenty, and fallen in proportion of
 " one to two, it necessarily follows, I say,
 " that the proportion is only as one to
 " ten*." Now if in Britain our currency has
 increased in a higher proportion than our
 commodities, the price of these must natu-
 rally have increased agreeable to this pro-
 portion.

It is the opinion of many, that the quantity of gold and silver in specie has considerably decreased of late years in this kingdom. The small quantity of these observed in the circle, in proportion to what was formerly, is however no certain evidence of this. There have been established of late a great many banks. In each of these there must be a quantity of gold and silver to answer the constant demand made for these, in exchange for the bills which they have issued. And there must likewise be a quantity of these regularly interrupted in the circle, and sent to the banks to supply the place of these sums that are daily flowing out. The quantity of gold and silver therefore in the circle must regularly decrease in proportion to the quantity of money in bills that is brought into it. And consequently there may be in the

* Spirit of Laws, Book xxii. Chap. viii.

kingdom

kingdom the same or even a greater quantity of gold and silver in specie; tho' less appears in the circle. But whatever may be the case with respect to the increase, or decrease of the quantity of gold and silver; yet it cannot be doubted, that our currency in gold, silver, and bank-bills has of late increased amazingly. Had our banks no more money circulating in bills, than they have gold and silver lying ready to answer, they would have no higher profits than money-lenders have, which is the legal interest. A trade of this kind could never bear the expence of management. Their great profit arises from the immense sums, which in bills they throw into the circle by loans, and which they have no gold or silver to answer.

As our banks have produced this increase of our currency; and as not only by this, but also by some other things, they have raised the price of provisions, and all other commodities, it will not be amiss to enquire into both the causes and consequences of their establishment.

I AM sensible, that it may be reckoned presumption in a private person to attempt a thing of this kind, and therefore do not propose to treat of the matter as a banker; but only to suggest such things, as naturally occur to a person of plain sense, who employs his

his thoughts on the subject without any knowledge of the arcana of the trade.

BANKS established in different states are different in their constitutions and operations.

THE banks in Britain discount bills, lend money, and grant credits, making all the payments that these require in their own bills, by which these bills are circulated over the kingdom. From these, which are the principal operations of our banks, it appears that there are two causes that have produced their establishment.—A demand for credit in individuals; and a demand for currency in all.

WHEN manufactures and trade are first introduced into a nation, their progress is very slow. There is little currency, and the property of the persons disposed to engage in them is but small: The progress of these therefore depends upon the profits of business and the balance of trade, which, though they may be considerable to the persons engaged therein, yet are only trifling at first with respect to the nation in general. But as these profits gradually encrease, so the manufactures and trade are gradually extended, till in time they arrive at as great a height as the situation of the nation, and its connection with other nations, allow. When manufactures and trade are beginning to be extended,

tended, there are a variety of persons that are naturally desirous to share in the profits, and who lay down perhaps very probable plans for establishing and extending the kinds of manufactures and trade that are reckoned the most beneficial: Hence a very great demand both for credit and for currency.

BESIDES when trade and manufactures are considerably extended, the quantity of commodities and merchandize in the market is increased, and there is not a proportional increase of currency, the consequence of which is, that the prices fall, if something is not done to prevent it. But before the prices fall so low as to bring the currency to a par with the merchandize, or the value of it to the same proportion to the value of merchandize as formerly, there must be a complaint for want of currency. The value added to the merchandize being greater in proportion than the value added to the currency, there is not enough of the latter to purchase what of the former is in the market: Hence the want of currency becomes universally felt; and if trade and manufactures are gradually extended, this complaint must continue, as it is some time after additional commodities are brought to market before the prices fall exactly to their place with respect to the currency. We may well suppose, that this has been the case with Britain since the beginning of this

this century, and probably with the fourth part of it before the establishment of the bank of England; and had not banks been established, the want of currency, occasioned by increasing the quantity and value of commodities in the market, would, it is probable, have given a great check to all improvements.

THIS demand for credits and currency occasioned by our improvements in agriculture, and the extension of our trade and manufactures, is commonly considered as the cause of the establishment of banks, and the creation of paper-money. However, there are other things that seem to have occasioned this demand for currency, and which are not commonly attended to, though they have increased it perhaps more than all our improvements put together. The things I have in view are our taxes and national debt.

THE height to which our taxes are raised is universally known. These have the same effect upon currency, as the same amount of merchandize actually purchased in the market would have. To illustrate this; let us suppose that there is a tax laid on that raises L. 100,000. These 100,000 Pounds are stopped in the circle that they have been in use to make, and employed in the payment of the tax. Hence there are L. 100,000 wanting to purchase merchandize,

merchandize. This want occasions a demand for currency, and unless this demand is supplied, the price of merchandize must proportionably fall. This sum of L. 100,000 is never again brought into the currency, by which the merchant, the manufacturer, and the farmer are supplied; For, though it remains in the nation, yet, as often as it comes into their circle, it is interrupted in its course, and carried to pay the tax. This is the case even though the sum remains in the kingdom: but if the sum is carried out of the kingdom to pay the interest of debts due to foreigners, the consequence is, that the currency is lessened annually by this sum. Any person then that considers the amount of our taxes, and the proportion of them that is paid to foreigners, will not be surpris'd that there is a great demand for currency, and that such a swarm of bank-bills have been produced to answer it.

THE national debt has the same effect upon the currency that taxes have. Every million borrowed has in this respect the same effect with the value of a million of merchandize brought to market. When a million is borrowed, this sum is stopped in the circle, and instead of purchasing merchandize as usual, is carried to the treasury. This occasions an immediate want of currency, to supply which, bills are naturally issued from the banks.

Indeed

Indeed we can scarcely suppose so large a sum as is sometimes borrowed, collected together in so short a time as is sometimes done, without the immediate creation of paper-money. Let us suppose then, that the national debt amounts to 140 millions; a sum perhaps equal to ten times the value of the whole currency of the kingdom when the practice of funding began, and we will immediately observe, that there must have been a very great demand for money from the time that this borrowing began, and that it would have been impossible to have raised this immense sum without a great addition to the quantity of our currency.

It must not be forgotten, that a part of the national debt is owing to foreigners, perhaps no less a sum than 30 millions. This sum of 30 millions brought into the kingdom, unless the balance of trade has been remarkably against us, must have occasioned a very great increase to the currency. Our prospect must be very dismal, if, since the time that foreigners began to deal in our funds, the balance of trade against us has amounted to 30 millions, and whatever the amount of this balance, and of the interest of the debt, falls short of this sum, has been added to the currency.

THE increase therefore of our taxes, and the increase of our national debt, may be very well

well supposed to account for the great increase of our currency. And perhaps, if we were well acquainted with the history of our banks, we would find, that the quantity of their bills in the circle increased as our taxes and national debt increased. This we know that the bank of England, as these increased, increased its loans to Government, extended its capital, and, it is probable, also increased the quantity of its bills in the circle.

Having thus attempted to show what are the things that produced this banking trade, it is now proper to enquire into its consequences. It will not be found an easy matter to trace out all of these. However, some of the most important of them shall be attempted.

One consequence of this banking trade, and not the least important, is, that though it increases the currency of the nation in general, yet keeps it in a fluctuating state, and the demand for it is sometimes answered, and at other times refused. That the currency of the nation is greatly increased by our banks, is what every person, who gives attention to things, will easily believe: but it is no less certain, though perhaps not so evident, that by them the currency is kept in a fluctuating state.

WHEN the credit of a bank is once fully established, the only demand made upon it, except

except in some particular circumstances, is for silver to make small payments to tradesmen and labourers. Now, if the bank has formed a plan for receiving regular payments, in which, along with its own bills, there may be reasonably expected such a proportion of gold and silver as is sufficient to answer the demands made, it may go on without having a large sum in specie, affording profits to the proprietors, and regularly supplying the demands for currency. But accidents frequently happen that occasion large demands for specie, and these demands oblige the bank to alter its plan.

THE credit of the bills of our Scots banks is confined almost to the limits of Scotland. Hence it is, that when persons going for England are possessed of these bills, and the exchange above the expence and risk of carrying cash, they naturally make a demand upon the bank for gold and silver. This is a thing that does not come on suddenly, as it may be always foreseen by the course of the exchange. The directors of the bank have therefore time to provide against this demand; and there are several different ways by which they do it. The natural way is, to call in some of the debts owing to the bank. This both lessens the number of their bills in the circle, and thereby lessens the demand upon them in proportion, and also provides

provides specie for answering the demands that are made: But this is sometimes inconvenient for the country. The debtors of the bank engaged in schemes of improvement, tho' their security may be very good, yet may find it difficult to raise money; and if in this situation of affairs the bank insists for payment, both trade and manufactures may be hurt, and some of our lands brought to sale. This is therefore seldom done by a bank except in a case of necessity, or when it is for the private advantage of some of the directors engaged in other business.

There is another method sometimes taken to answer an expected demand, which is to borrow a sum equal to the debt, which in the other case would be found necessary to be called in. This no bank that has established its credit, can find any difficulty in doing: for the security given is considered as good, and the time of payment as certain. Borrowing serves the same purpose with calling in money from debtors; for thereby the quantity of bills in the circle is lessened, and specie is acquired. Neither is it a greater loss to the bank, as the interest of the money borrowed is no more than the interest of the money necessary to be called in. And this sum may be repaid when the situation of the country allows a greater value of bills to be circulated.

SOMETIMES

SOMETIMES a bank finds it proper to borrow the money it stands in need of in that very place from whence the demand comes, and to give draughts in place of specie. The extraordinary demand upon our Scots banks is commonly made from London, or places in England where bills on London are equal to specie. Now, borrowing money in London gives to the bank a power in some degree to regulate the exchange, and by this means to lessen the demands made upon it for gold and silver: So that it does not require so large a sum borrowed in London as in Scotland, to answer the intended purpose.

THERE is another method sometimes taken by the managers of banks to supply themselves with specie: They buy it and pay in their own bills. As Scotland is too narrow a field for this traffic, recourse is had to the London market, and sometimes specie brought from it at a considerable expence. The seeming advantage of this method to the banks above the other methods mentioned, is, that in the other methods the banks pay the interest of the money borrowed, but by this they pay only the expence of borrowing and carriage. This practice, however, produces a very different effect from what is produced by borrowing money in London and giving draughts for it. The exchange betwixt one nation

nation and another is regulated by the balance of trade. Thus for example, if Scotland owes to England a balance in trade, a premium must be given in Edinburgh for a bill on London; because every draught increases this balance; because the person in London that advances the money must be paid for it; and because there is a great demand in Edinburgh for bills to transmit to London for the payment of this balance. On the other hand, a bill at London on Edinburgh does not bring its full value; because by this the balance due is lessened; because there is no advance of money but only a debt paid; and because there are bills in the market to the extent of the balance owing, and few or none to purchase them. In proportion to the extent of the balance, the exchange rises in the one place, and falls in the other. Now, if when the exchange at Edinburgh is high, a bank there borrows a sum of money in London for a given time: It is certain that by this transaction the balance owing by Scotland, is lessened in the proportion that the sum borrowed bears to the whole balance owing; and in this proportion the exchange falls. To illustrate this, let us suppose that the balance owing by Scotland to England amounts to a very large sum, and the exchange, in consequence of this, very high. Let us suppose further, that a Scots bank

bank finds it convenient to borrow a sum equal to this in London, not to be repaid till after twelve months; and that draughts are immediately given for it. It is obvious, that as the draughts are given, the exchange must gradually fall, and at last when the balance is wholly extinguished the exchange must be reduced to par. The consequence then of negotiating this loan is the reducing the exchange, and lessening the demand upon the bank. But specie purchased in London, and paid in Scotland in bank-bills, produces a very different effect. Let us suppose, as before, that Scotland owes a considerable balance to England, that the exchange is high, and a demand made upon the bank. If the bank, to answer this demand, shall buy specie in London to be brought to the bank, and pay for this in bills issued in Scotland; the consequences of this are, that the balance owing by Scotland to England is increased, which raises the exchange, and increases the demand upon the bank; and a greater value of bills being thrown into the circle, a greater value of them will also be brought to the bank for specie. And thus, though the purchasing of specie, in this manner may supply the present demands made upon a bank, yet it must occasion a greater demand to be made afterwards.

It

It must be acknowledged, however, that in the other case, when the time of paying the money borrowed arrives, then the balance against Scotland is again raised to the same extent as formerly, by which the exchange is likewise raised; and, in consequence of this, the demands upon the bank increased. But it is possible, that before this time, matters may have so far changed, as to allow the bank to remit money to London without great difficulty; or if there should be no appearance of this, the bank has time to call in its credits in a manner least inconvenient for its debtors. The consequence of this may possibly be, the getting remittances from England to supply the sums called in by the bank, by which the exchange being reduced, it is an easy matter for the bank to remit money for the payment of the debt which it has contracted.

ANOTHER method taken to provide specie, and even sometimes to raise money, is that of drawing bills of exchange to be discounted at the bank of England. This is the very worst method of providing specie; for, in this case, the expence of commission and of discounting the bills is added to the other expence, so that the banks that take this method must pay more money than what they receive: Besides, this is a traffic that cannot continue

tinue long. If a Scots bank draws a bill of exchange, to be discounted at the bank of England, and draws again for the payment of this bill, and so on, the debt owing by Scotland must be constantly encreasing. This in course increases the run upon the Scots bank, and obliges it still to draw to a greater extent. But this practice cannot continue long, for, when ever these bills are extended beyond what trade can be supposed to require, the English bank must at last unavoidably take the alarm, and refuse to discount the bills; to which they are the more easily induced, as gold is demanded for many of the bills that are discounted, which is both inconvenient for the bank, and deprives it of the profits that arise from issuing its bills.

THE establishment of new banks occasions likewise a demand to be made upon old banks. When a new bank is established, the proprietors advance a sum of money for answering the demands that are naturally made; and this they do by several different payments as the exigencies of the bank requires. This money, advanced by the proprietors, is paid partly in bills of other banks, according to the quantity of them in the circle; and for these bills, specie is immediately demanded by the new bank, and as the different payments are made, there is always

a new demand. Let us suppose that the old bank, from a continuance of this demand upon it, should call in some of its debts, while the new bank continues to throw large quantities of bills into the circle, by making the access to its credit very easy, then perhaps, before the last payment is made by the proprietors of the new bank, the old bank may have got as many of the bills of the new bank given in payments as to answer the demand made by this bank. If the managers of the new bank, instead of taking warning from this, continue to increase the value of their bills in the circle, matters will soon change; and instead of having any demands to make upon the old bank for specie, the old bank will begin to have demands upon it, and these demands must increase and continue high, in proportion as the bills of the new bank in the circle exceed in value the bills of the old one. And whatever method the managers of the new bank may fall upon to answer these demands, yet it will at last be found, that nothing is effectual for this purpose, but calling in their credits, and thereby lessening the value of their bills in the circle; for altho' associations may be formed for its support, yet these can do no more than promote the circulation of its bills; and according to the proportion that its bills in the circle

circle bear to the whole currency, it must furnish the same proportion of the specie annually sent to England to pay the balance of trade against Scotland*. Thus we may observe, that our banks must necessarily render our currency fluctuating; and the fluctuating state of our currency must not only affect the price of commodities, but also bring the debtors of the banks into very great inconveniencies.

ANOTHER consequence of this banking trade is, that the access to money is rendered easy: This is no doubt the principal advantage of our banks; by having an easy access to money, it is the more employed; by being employed, commodities are produced; in the production of these commodities, hands are likewise employed, and by them the national stock is increased. These are the advantages that Mr Law long ago pointed out as the natural consequences of paper currency.

THAT trade and manufactures in Britain, particularly in Scotland, have been considerably

* The balance of trade is perhaps not always on the side of England, yet, it is certain, that there is always a greater value of debts due by Scotland to England, than by England to Scotland, which is the cause that the exchange is always against this part of the kingdom; but then it may be observed, that there is a very considerable article that does not come into the account, and to purchase which, gold is commonly brought from England by private traders, and this is the Scots black cattle and sheep. These are commonly bought by drovers and farmers, who pay in gold, brought from England on purpose. This probably balances in some measure the gold and silver carried away by the English Riders.

ably increased during this century, is well known, and it is evident, that during a certain period, they made a most rapid progress. This, no doubt, was owing to the credit and currency afforded by our banks established to answer these very purposes. For affording an easy access to money, the spirit of improvement diffused itself over all, and so rapid was the progress, that in no nation was there ever in so short a time a greater change in police, trade, manufactures and agriculture; But then by these advantages, the price of provisions is immediately affected, for tho' there may be no increase of inhabitants, yet these being enabled to live better, consume a larger quantity, which naturally increases the demand, and raises the price.

BUT this is not all, when there is an easy access to money, there is easy access, not only to the sinews of trade, manufactures, and agriculture, but also to the means of luxury. Without paper currency, it would have been difficult for our gentlemen to have shown such fine sets of horses, raised such superb edifices, and spent so many thousands at the gaming table. On this account therefore, our banks may be considered as partly the cause of that luxury that prevails so much amongst us; and as such, the cause of that great increase of the price of provisions which this luxury has occasioned.

ANOTHER

ANOTHER consequence of this banking trade is, that it produces all the bad effects of an increase of national stock, without any of its advantages. One of the bad effects of an increase of national stock, is the raising the prices of all commodities, and particularly the price of provisions. Suppose that in place of one hundred persons that leave the kingdom without any stock, the same number of persons are brought into it possessed of ten millions. This addition to the stock of the nation must in some degree affect the prices of commodities; and for this reason, that four or five hundred thousand pounds are spent annually in living more than formerly. Bank-bills in the circle to the amount of this sum more than there is gold and silver in the banks, though imaginary riches produce the same effect. The persons that issue these bills are thereby enabled to spend annually as much as if they were possessed of this sum in real stock.

As the design of this essay is not to show the disadvantages of paper-currency, but the effects that it has upon the price of provisions, it is needless for me to insist upon the great difference betwixt these imaginary riches and real riches. It may suffice to observe upon the subject, that when real riches are acquired by any nation, the balance of trade is in its favour; and this balance is

G

paid

paid in gold and silver: So that when riches and specie are increased to such a degree as to raise the price of commodities, and turn the balance, there is gold and silver to pay this balance, which, in consequence of this change, must gradually decrease, as they formerly increased, without occasioning any convulsion. But when a nation increases in imaginary riches, should these riches raise the prices of commodities to such a height as to turn the balance of trade against it, the small quantity of specie will be drained before the evil is severely felt, and in consequence of this, paper-currency lose its credit, and all things be thrown into confusion.

To the increase of imaginary riches occasioned by our banks, may be added an increase of hurtful traffic. If we suppose that some of the proprietors in our banks, from having the command of money, become adventurers, and make purchases, the profits of these bargains must be added to the additional sum spent annually. Besides this, the price of the articles in which they traffic, whether lands or houses, or corn or cattle, must, by this very traffic, be raised in proportion to the profits which they make.

If we join private bankers with our public banks, we may observe another important effect of this banking-trade: Thereby the

the circulation of our currency is quickened, and made to pass through a greater number of hands. In former times the tenant was employed almost through the whole year in collecting money for his rent; so likewise were shop-keepers in collecting money for paying the merchant. Thus considerable sums lay dormant, and money passed thro' only a few hands. But now it is otherways; every dealer to any extent has his banker or bank-credit; so that no sooner is any money paid him, than he throws it into the hands of those persons whose business requires skill in the arts of circulation. Thus our currency being rendered, as it were, more active, the same quantity serves for the exchange of a larger quantity of commodities, and produces the same effect as if the quantity of it was really increased.

THERE is one other effect of this banking trade, which I cannot omit mentioning, as it is of all the others, perhaps the most important. Whether the effect is good or bad, I shall not pretend to determine, but leave it to the judgment of the reader. *Our paper-currency has prevented us from feeling the severe weight of our exorbitant taxes.*

DECLAIMERS on the state of the nation have long ago represented the taxes as a burden which the subject is groaning under, and which his almost exhausted strength

is

is not able to bear : Yet this is a burden which no person feels ; and those very persons represented as panting under the load, are yearly increasing in luxury, both in the apparel which they wear, and in the provisions which they consume. This has made some persons maintain a most extraordinary paradox, that every tax provides a fund for its own payment. And indeed when we observe that manufactures have been long carried on, notwithstanding that manufacturers have been heavily taxed, and that a tax upon any branch of luxury has increased this very branch of luxury, we are tempted to think that there is some secret in the operation of taxes that is above our comprehension : But the whole mystery consists in the ideal value put upon the paper that is stamped by our banks.

To illustrate this, let us suppose that there are no banks ; that a tax is laid on, the annual amount of which is equal to $\frac{1}{2}\%$ of the national currency, and as the most simple view that we can have of the matter, that this tax is laid upon men in proportion to their annual income. Let us further suppose, that our currency moves in the circle in such a manner as to pass thro' fifty hands in the course of the year, which is allowing it to remain about seven days in the

the possession of each person. Now it is obvious, that to raise this tax, $\frac{1}{2}\%$ of the currency must be perverted from its course in the circle ; the consequence of which is, that the payment of $\frac{1}{2}\%$ of the debt that would have been paid is postponed, and there is $\frac{1}{2}\%$ less currency in the market to purchase commodities. This occasions some inconveniences. However persons push forward, expecting that these inconveniences will soon be removed, and that things will be brought to go on again in their old channel. This indeed would be the case was the tax laid on only for one year, but never can happen while it continues : For $\frac{1}{2}\%$ of the currency being perverted from its course in the circle, there is not so much of it passes through the hands of the merchant and manufacturer as formerly in the course of his trade by $\frac{1}{2}\%$. And matters must continue in a kind of ferment and disorder, till such time as the prices of commodities and labour fall so much as to be in a just proportion to the quantity of currency in the circle of trade. This is a thing that must happen when the currency is actually lessened ; the prices of these must fall in spite of any endeavours that may be made to keep them up.

It

It has been observed, that after the tax is raised, $\frac{1}{20}$ less currency than before passes through the hands of the merchant and manufacturer. If we suppose that the money raised by the tax in the first year is carried out of the kingdom, then every person's proportion of the currency is precisely $\frac{1}{20}$ less than it was before. But if we suppose that the whole currency continues in the nation, as is commonly the case, then matters are a little different. Though the quantity of the currency that passes through the hands of the merchant and manufacturer is not lessened by so much as $\frac{1}{20}$, yet he can employ no more than $\frac{19}{20}$ at most in the way of his business. The quantity of currency perverted by the tax takes a course different from what it did formerly, and makes a new circle: It goes from the persons that pay the tax into the hands of collectors; from them to general receivers; from them into the treasury: From the treasury it is again issued out, and passes thro' several hands before it reaches those from whom it was first raised. Now it may be observed, that the course of the currency from the tax-payers to the treasury must be very flow; for as we suppose that there are no banks or bank-credits, a great part of the individual specie paid for the tax, except the

the change of it from silver to gold, is carried to the treasury; so that it must be a considerable time before it returns again into the hands of the trader, from whom it came. If the currency takes double the time to pass in the circle of taxes that it does in the circle of trade, as in this case is probable, then the trader pays a second year's tax before the currency paid by him in the first year reaches him in the circle; and thus the tax takes up no less than $\frac{2}{20}$ of the currency, and there are only $\frac{18}{20}$ left for the circle of trade. It is obvious, that a tax of this kind, raised in a nation in the situation mentioned, would be very severely felt. Debts would remain unpaid, commodities would lye unsold in the market, and credit would necessarily be given in cases where money was paid formerly. These things would occasion a kind of ferment, which would continue till such time as the prices of commodities should settle to a just proportion to the quantity of currency in trade.

BUT a tax of this kind, however severely it might be felt in its effects upon currency, is not very burthensome as a tax. For although the tradesman finds, that $\frac{2}{20}$ less currency than formerly passes through his hands in the way of his business; yet he pays only $\frac{1}{1000}$ part of his stock, or $\frac{1}{150}$ part of his profits

profits annually as his share of the tax. Let us suppose, that a trader has a stock of L. 1000, and that his trade is such, that his stock is returned once a year in money. A thousand pound then of the currency passes through this trader's hands annually. After the tax is raised, there is little more than L. 900 falls to his share, which must occasion to him the inconveniencies mentioned: but then it has been observed, that the currency passes annually through 50 hands. As all of these are supposed to pay their share of the tax in a just proportion: There are 50 persons to pay $\frac{1}{50}$ of L. 1000, which is L. 20, no more than L. 1 each, equal to $\frac{1}{50}$ of their stocks, or $\frac{1}{10}$ per cent. which, supposing the trader makes of his trade at the rate of 15 per cent. is only $\frac{1}{50}$ part of his annual profits. The same thing happens, whatever is the stock of the persons through whose hands the currency passes, provided a quantity of currency passes annually through their hands equal to their stocks. As $\frac{1}{50}$ of the currency is paid for the tax, and as the currency passes through 50 hands, these 50 pay no more amongst them than this $\frac{1}{50}$, which is only $\frac{1}{10}$ part of their stock. But let us suppose further, that a tax equal to the one mentioned is added for ten years successively; and let us consider what must

must be the consequences in a nation where there are no banks, and no increase of currency. All these taxes put together do not appear to be very burthensome as taxes, provided the tradesman can make 15 per cent. upon his original stock; for this is still no more than $\frac{1}{5}$ of his income or profits in trade. But then the effect upon the currency, and the consequences of this must be dreadful. The currency in trade being lessened one half, the prices of all commodities must fall in the same proportion. But before this happens, the state must be shaken by convulsions. The first tax occasions a small ferment, and before this has had time to subside, the second adds to it, and so on. By this, payments being more and more postponed, and the price of commodities kept up higher than the state of the currency allows, rents remain unpaid, labourers are dismissed, manufactures are given up, and in short all things thrown into confusion. Such would be the consequences was our Government to persist in laying on taxes without increasing the currency in proportion.

It is certain, that a greater load of taxes than is here supposed to raise the greatest convulsions, has actually been laid upon this nation, and yet the bad consequences of these taxes have not been as yet very severely felt. This is owing entirely to the increase of currency

rency made by our banks. For let us suppose that a loan is negotiated, and that a million of the sum is paid in paper added to the currency. Let us suppose further, that a tax is at the same time laid on that may raise from the subject L. 500,000, and that banks are opened to which persons may have access for what money they need. In this situation of affairs, the tax is scarcely felt. Perhaps a small sum may be necessary in the alley for purchasing what shares of this loan are in the market, yet there will be still a sufficiency for answering all the demands of the tax. Eight or nine hundred thousand pounds thrown into the circle more than are required in the alley, quicken payments, and produce ready money in some cases where credit was given before, so that in general persons are not under great difficulties in finding money for paying their proportions of the tax, and still have the same quantity as formerly for carrying on their respective trades. Even supposing that the circulation is not quickened in the manner mentioned, yet if banks are opened, no person is at a loss for currency; and though he is obliged to pay for it, yet all the alteration that this obliges him to make in his business is only adding a little to the price of the commodities in which he deals.

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FROM these things it appears, that if there had been no greater addition to the quantity of our currency than is made by trade, it would have been impossible to have raised the taxes at present laid upon the nation; and that the great addition to the quantity of our currency made by the establishment of our banks has prevented us as yet from feeling the weight of these taxes. There is reason to fear, however, that things cannot continue long in this situation. If our banks are obliged to withdraw their credits, or call in their debts, tradesmen may find it difficult at first to pay their taxes, and at the same time carry on trade. And if the exigencies of Government require violence to be used, the consequence may prove fatal.

It has been observed, that a demand for currency was the cause of the establishment of our banks; and that this demand has been occasioned by the increase of commodities, taxes and national debt. Had no more currency been issued, than was sufficient to supply this demand, that is sufficient to balance the increase of commodities, and to supply the quantity of currency taken from the ordinary circle by loans and taxes, it would have had no influence in raising the prices of commodities. But it is probable, that the currency has increased in a much higher proportion than the demand required. This appears

appears from the manner in which the causes of the increase of our currency naturally operate. It has been supposed, that one cause of the increase of our currency was the demand occasioned by the negotiating loans for Government. There is some ground for this supposition, as the bank of England was established very soon after the practice of borrowing was begun. Now, if we suppose that a large proportion of the money borrowed was paid in bank-bills, these would be thrown into a very wide circle, and soon dispersed over a great part of the kingdom. As in consequence of this loan, a quantity of stock becomes a commodity in the alley, a proportional part of the currency issued, as has already been observed, becomes necessary for the purchase; and the oftener that this stock changes hands, the larger proportion is required. But it cannot be imagined, that this will happen so frequently as to require more than $\frac{1}{6}$ of the original sum for this purpose, and if this is the case, $\frac{2}{3}$ of every loan paid in bank-bills newly issued, is an addition to the currency that must affect the price of commodities.

EVERY sum of money borrowed from our banks, that is used to pay debt formerly contracted, is an addition to our currency that produces the same effect; so likewise is every sum borrowed that is not employed for in-

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creasing the quantity of commodities in the market. Of this kind are all our buildings, and all our ornamental policy. But what at first sight may appear surprizing; of this kind too are all our real improvements, either in agriculture or manufactures. Let us suppose that L. 100,000 are borrowed from our banks and laid out in improving our lands; and that by these improvements 20 per cent. is returned, which, supposing the ordinary rate of interest at five per cent. is sufficient profit to engage our land-holders to borrow money to be laid out in this manner. Now by these improvements L. 100,000 of currency are thrown into the circle, and commodities to the extent of L. 20,000 brought annually to market. It has already been observed, that currency passes through 50 hands in the year, and, if this is the case, no more currency is necessary to balance these commodities than L. 400. So that of these 100,000 Pounds thrown into the circle, there are only L. 400 necessary for the additional commodities brought to market, and therefore there are no less than L. 99,600 added to the currency, by which the prices of these are increased.

THE same effect is produced when money is borrowed from our banks by traders. An addition is made to our currency, tho' not in so great a proportion. The whole sum borrowed

borrowed is thrown into the circle in this case as in the other; but then merchandize equal to the whole sum; and the profits of the trade are brought to market. But still as the same currency serves 50 people, $\frac{1}{8}$ of the sum borrowed is all that is necessary for the additional commodities; and therefore $\frac{4}{8}$ are added to the currency to increase the price.

LET us suppose further; that a considerable number of landholders proceed upon this plan; and that though they have improved their estates to advantage; yet find it necessary to sell a part of them to repay the money borrowed from the banks. By this the currency seems to be lessened in proportion as it has been formerly increased; and that things are thereby reduced to their former situation. But it is not so; for while the sums borrowed from the banks and laid out in improvements, are thrown into the circle, the prices of commodities are raised in proportion to this increase of the currency: So that whenever any sums, after the prices are raised, are taken from the circle, and returned to the banks, there is an immediate demand for money. Were there no banks to supply this demand the prices of commodities would soon fall in proportion as the currency is lessened. But as there is always access to them, the same sums brought from the

the circle into the banks for the payment of debts, are naturally issued from the banks into the circle to answer demands.

THUS we see what effects our banks have produced; and when these are considered, we must be convinced that by them the prices of all kinds of commodities have been raised.

It will not be amiss to prosecute this subject a little further; and to consider what maybe the consequence of continuing a large quantity of currency in circulation, after the causes that raised the demand for it have ceased. This may very probably happen, or perhaps is our situation at present, as the persons that issue our paper-currency will use all their art to keep it in the circle, tho' there may be more in it than is necessary.

TRADE and manufactures are fluctuating, as all worldly things are; they pass from one city to another, and from one nation to another. Let us suppose then, that from the fluctuating state of things, some of our manufactures shall fail; was there no paper-currency this would be immediately attended with a decrease of our specie, and in a greater degree too than the decline of our manufactures: For we would be deprived of the value of these manufactures, not as sold by the manufacturer, but as sold at the foreign markets. This naturally sinks the price of provisions

provisions and other commodities, which enables tradesmen to continue struggling in the way of their business. But if the currency is kept by our banks in the full extent or above what it ought to be, notwithstanding the failure of our manufactures, the consequences must be fatal. As the quantity of commodities in the market is supposed to decrease in a greater proportion than the currency, as tradesmen are supposed, by the failure of our manufactures, to be set idle, the prices of commodities in general are raised; poor rates increased, and disorders introduced. The prices of commodities are raised, because the proportion of commodities to the currency is lessened: poor rates are increased, and disorders introduced, because there are numbers of persons that want employment and must live. But this is not all; the raising the prices of commodities makes the other branches of manufactures give way that are in a tottering situation, and depend upon foreign consumption. By this the evil is more and more increased; so that we have reason to fear, that when our manufactures begin to fail, either from the high price of commodities, or any other cause, the immense quantity of currency in the kingdom, if some method is not taken to regulate it, will probably bring on our ruin so quickly

quickly as to render it very difficult to put a stop to it.

THIS is a matter of the greatest importance; it is necessary, therefore, to place it in the clearest light. In a nation where there is no paper-money, it is certain that trade and manufactures are inseparably connected with riches and currency. As the first flourish or decline, the last increase or decrease. As trade and manufactures are inseparably connected with riches and currency, so riches and currency are as inseparably connected with the prices of commodities. As the one increases or decreases, so does the other. When the prices of commodities, by reason of the greatness of riches, and extent of currency become so high as not to sell to advantage in foreign markets, trade and manufactures decline, and riches and currency decrease. The decrease of riches and currency lower the prices of commodities; and this keeps trade and manufactures alive, though in a languishing situation, or prevents them from being suddenly destroyed. But in a nation where banks flourish, the connection of these things is destroyed. Trade and manufactures may decline, while paper-riches and currency increase, and the prices of commodities rise: So that while in the one case the falling of the price of commodities, with the decrease of riches and currency,

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keeps trade and manufactures alive. In the other case, the rising of the price of commodities, with the increase of paper-riches and currency, must soon reduce declining trade and manufactures to destruction.

TAXES have already been considered as connected with our currency; it is proper now to consider them as connected with the price of commodities, and particularly with the price of provisions. In the payment of taxes no man is a patriot; every person endeavours to evade them, or to oblige others to reimburse him for what he pays. The first can only be done in a small degree, the last is the method commonly taken. When a tax is laid upon any manufacture, the manufacturer, in order to carry on trade to the same extent as formerly, must either borrow money for which he must pay interest, or he must purchase at a longer credit, which with respect to his selling, is the same thing with purchasing at a higher price. He must therefore lay upon the commodities which he sells the interest of the money which he borrows, or the additional price which he pays for the materials which he manufactures. Besides this, he lays upon the price of these commodities the whole tax which he pays. This at least with all his address he endeavours to do. The persons that consume the commodities which he manufactures,

nufactures, finding the prices of these raised, instead of retrenching, which is commonly a disagreeable thing, endeavour in their turn to raise the prices of the commodities in which they deal. Thus, if the tax makes a very considerable difference, the prices are raised in a rotation, and at last come to the manufacturer where the rise began, who, in consequence of this, if in his power, begins another rise, which every person will endeavour to push round in the same manner, so that a heavy tax naturally raises the prices of commodities gradually, till such time as they are fixed in such a state as to make all persons concerned bear a just proportion of it. It must be confessed, that it has been asserted, and with some degree of reason too, that taxes do not produce an effect of this kind; on the contrary, that they promote industry and œconomy. The manufacturer whose commodities are taxed, naturally indeed attempts to raise the price, but persons, particularly those that have no commodities to dispose of, are at first very averse to pay this price; and many, when the price is actually raised, content themselves with a smaller proportion of the taxed commodities than they would have otherwise taken. The manufacturer, sensible that this happens, finds himself obliged to use all his skill and diligence to keep the price

price of his manufactures as low as possible, that so he may be able to dispose of his full quantity. The persons again that consume these taxed commodities, and who have themselves commodities, or labour to dispose of, being affected only in a small part of their living, are afraid at first to raise their prices, lest they should remain unemployed; but to balance this, add a little to their industry, or to the hours of their labour. These indeed may be the effects which moderate taxations produce: But when taxes are gradually raised till they become exorbitant, when the prices of almost all commodities in consequence of these taxes are actually raised; when persons find that the industry they have exercised to enable them to pay old taxes, only gives encouragement to the administration to lay on new ones; then they bend their whole thoughts another way, and attempt with all their address to raise the prices of their commodities. The manufacturer, mechanic, and merchant, raise the prices of their goods to the landholder and farmer; the farmer raises the price of his corn and cattle: The landholder, as soon as an opportunity offers, raises the rent of his farms; this again obliges the farmer to raise the price of his corn and cattle still higher. This affecting the merchant, mechanic and manufacturer, in as sensible a manner as a heavy

heavy tax, obliges them to raise their commodities still to a higher price: And thus the prices of all things are gradually raised, till such time as they are fixed in such a state as to make all concerned, as has already been observed, pay a just proportion of the taxes that have raised them. This must always be the consequence when taxes are raised beyond what can be paid by industry and œconomy.

But it is proper to prosecute this matter a little further. It cannot be doubted that the taxes laid upon this nation are so high as to raise the price of all commodities. What then must be the consequence, if they shall for a course of years be annually increased? a thing that we have reason to fear will soon happen. The prices of commodities will still rise higher; they will be prevented too from settling in the just proportion to each other that has been mentioned, and a great addition must be made to our already too extensive currency. No person can indeed say how far an administration may proceed in this matter; yet it is certain that there is a *ne plus ultra*. At last all our manufactures that depend upon foreign consumption must be destroyed, the corn-trade must be lost, and the nation suffer a severe convulsion before the prices of commodities are reduced nearly to an equality with the prices
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of the same or similar commodities in neighbouring nations.

TAXES raise the price of provisions not only by increasing the expences of manufacturers, and of all that consume taxed commodities, but also by maintaining the persons employed in collecting them. All the persons employed in collecting taxes are certainly maintained by the persons that pay these taxes. One at first sight is apt to imagine from this that the appointment of tax-gatherers should make no difference with respect to consumpt; that what is consumed by these must be taken from the consumpt of the tax-payers: But it is not so. It has already been observed that taxes do not lessen consumpt, but that they raise the price of commodities; and that the payers of taxes consume as many provisions after the taxes are laid on as before. All therefore that is consumed by the tax-gatherers, must be added to the general account of consumpt. If this is the case, the taxes of this nation must have had very great influence in increasing the consumpt and raising the price of provisions. The number of persons employed in collecting the taxes from the Commissioners of Treasury downward, is certainly upwards of 20,000. When the salaries of these are considered, they cannot be estimated at less than L. 100 each, which

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is an annual expence to the nation of two millions. If but one half of this sum is annually laid out more than formerly in the days of our fathers, before taxing was begun, by it both the consumpt and price of provisions must be increased.

THE last thing mentioned that is connected with the price of provisions, is the national debt. This does not affect these in the same manner as currency and taxes do; but as an equal sum added to the national stock. It has already been supposed, that the national debt amounts to 140 millions, and that as much of this is owing to subjects as produces annually four millions. These four millions annually laid out have the same effect upon the prices of commodities as if this sum was added to the income of the society. It is no matter in what manner the enormous sum of national debt has been raised; whether by the exorbitant profits of the loans negotiated by government, and the still more exorbitant profits of the commissions given by it, or by persons of real stock, the produce of industry and trade, the same effect is produced by it; the prices of all commodities are raised in proportion to the increase of the demand made by laying out annually this sum of money more than formerly before the debt was incurred.

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It may probably be objected to all that has been advanced on this subject, that though the reasoning appears specious, yet that it is opposed by facts: That though the prices of some commodities have indeed been raised, yet that the prices of others are still low, or at least have not been raised in proportion to the increase of luxury, currency, taxes, and national debt. This truth is acknowledged; but it is no evidence that the prices of commodities have not been raised by those very things. The price of every commodity depends, not only upon the general things mentioned, but also upon some particular things that relate to the commodity itself. For instance, when a commodity is produced by a manufacture, the price of it, in some measure, depends upon the situation of the manufacture that produces it. When the manufacture is in its infancy, the price is high; when the manufacture is brought to greater perfection, the price naturally falls. Besides, it is common with manufacturers, if they cannot make so good work as formerly at the same price, to make it of an inferior quality, rather than heighten the price: So that if matters are carefully attended to, it will probably be found, that every commodity that is not considerably raised of late, is either of a quality inferior to what it was formerly,

merly, or the produce of a manufacture of late greatly improved.

NOTWITHSTANDING therefore of this objection, we may conclude, that luxury, currency, taxes, and national debt, are inseparably connected with the price of provisions, and that the great increase of these in this nation of late, has raised this price to the exorbitant height to which it is now arrived.

AFTER this account of the causes of the present high price of provisions, it may probably be expected that we should next enquire how far these causes may be removed.

THE lessening the quantity in the market was the first thing mentioned that raises the price of provisions: And it was observed, that this lessening of the quantity is not owing to bad crops, but to the increase of the demand for butcher-meat, and the great addition that has of late been made to the number of our horses. When real scarcity is the cause of the high price of provisions, no doubt the proper remedy is to encourage importation. When there is not a sufficient quantity of provisions in any country for the maintenance of the inhabitants, it is necessary to make up the deficiency from other countries: But then, before any encouragement is given to importation, it ought to be found upon a very diligent inquiry, that

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this is actually the cause ; for if prices are raised from the other causes mentioned, the encouraging importation must be attended with dangerous consequences. Let us suppose that the present price of corn is in a just proportion to the prices of other commodities, and raised to its present height by the increase of the demand of currency, taxes, and national debt. Let us suppose further, that this price is reduced by importation, the consequence of this is, that it becomes lower than the corresponding prices of butcher-meat, butter, and cheese ; and hence the culture of corn is further discouraged, and a greater quantity of land laid off in grass. This will make a constant supply of corn necessary from abroad, which will increase every year, so as gradually to lessen the number of hands in the country, and the quantity of specie in the kingdom.

BUT tho' scarcity may be the cause of the present high price of corn, yet something more must be done than giving encouragement to importation. The English farmer must be encouraged to turn some of his grass-land into tillage, otherwise an annual importation becomes necessary. But how this is to be done, it is not a little difficult to find out. It is vain to expect, that the gentlemen of the corporations in our towns are to be restrained from consuming their full share

share of butcher-meat, and of this too in its utmost perfection ; and perhaps it may be thought as absurd to propose, that a premium shall be given to the farmer who shall raise the largest crop upon new broke up grass-land. And without the one or other of these, the farmer will scarcely be prevailed upon to turn any of his grass-land into tillage. It is said, that it is commonly a covenant in all leases in some parts of England, that the farmer shall not plough any of the land in grass ; perhaps it will be proper to break this covenant, and put some other restriction in its place. The farmer, in this case, will probably be tempted, from the prospect of extraordinary crops, to break up some of that land that has been pastured for many years ; and if this is done, there is no doubt that there will be plenty of corn in the kingdom.

WHEN the price of provisions is raised by the demand, the remedy is obvious, tho' I'm afraid the application next to impossible. It has been shown in this essay, that the present high price of provisions is partly occasioned by an increase of the demand ; and that this increase of demand is occasioned by that luxury that has been increasing for many years, and now prevails amongst all ranks of persons ; let a stop then be put to luxury, and the demand must decrease, and the prices

prices fall. But how is this to be done? Luxury renders men venal and dependent, and consequently tends to correct the natural impatience of temper which the climate of Britain produces in its inhabitants. Governors, therefore, that prefer their own safety and interest to the good of the country, are disposed rather to encourage than put a stop to it; and indeed nothing has had so great influence in diffusing it among the lower classes of men, than the entertainments given by those that stand candidates for being members of Parliament. Besides, the extreme liberty industriously encouraged in the lower classes of men, to check the power of the higher classes, cannot possibly bear the restraint of sumptuary laws; and former experience has discovered, that the feeble resolutions of a few patriots are vain and fruitless. However, if things are in danger of coming to an extremity, something ought to be attempted: Perhaps a tax upon those branches of luxury, by which the prices of provisions is immediately affected, may not be improper, that is, a tax upon all running, hunting, road and chaise-horses, to which may be added, all kinds of hunting dogs; and perhaps it might tend too to lessen the number of extravagant idle people, to lay a very heavy tax upon all kinds of expensive diver-

diversions. When we consider in what an expensive and extravagant manner many of those persons live, who contribute only to the pleasure or entertainment of men, and who are employed in teaching the accomplishments, which, at best, are only showy and superficial, when compared with the manner of life which those lead, who labour in the arts and sciences, that are truly useful to mankind, we are tempted to think that a tax upon those persons, or their entertainments, would be very properly applied. When a parcel of singers, dancers, fiddlers, players and buffoons, are arrived at such a height as to vie even with our nobles in luxury and expence, it is certainly full time that something was done to reduce their incomes and lessen the number of their votaries. I am not so unreasonable as to think that the great and gay world should be deprived of their diversions and entertainments. The tax proposed would not deprive them of these, it would rather render them more elegant; it would separate in the enjoyment of their pleasures, the great from the vulgar, while, at the same time, it would give a check to that luxury that is so justly complained of.

If the price of provisions is raised by the extent of currency, occasioned by the circulation,

lation of paper, the remedy is equally obvious as in the last case, and the application I'm afraid almost equally difficult. The shares of many of our banks have been frequently transferred since their establishment, and a price given in proportion to the profits made. The present proprietors must be considered as having purchased, upon the supposition that the same value of bills are to continue in the circle; and therefore nothing but a case of necessity will oblige the directors to lessen it. At the same time, as it is certain that the prices of all commodities depend upon the extent of currency, one would think that the regulating of this is a matter of so great importance, that it ought not to be left to the direction of private persons, especially as these persons have it thereby in their power to do things to the prejudice of the society, and as they may find it for their advantage to do so. The currency ought certainly to be regulated by Government; the extent of it ought to be known; the capital of banks determined; the value of their bills in the circle regulated by their capital; and their books inspected to prevent them from circulating a greater value of bills than this capital amounts to. Encouragements ought no doubt to be given in every nation, to improvements; but these

these encouragements ought to be properly regulated: Of the encouragements that can be given, perhaps an easy access to money is the greatest; but then there is a very unhappy effect which this produces: When access to money is under no restrictions, encouragement is given to projectors, as well as to real improvers; and every person knows, and I may add, many have felt, that some of the gentlemen of that turn of mind, soon dissipate their own money with as much of other peoples as they can lay their hands upon, while others of them have nothing in view from the beginning, but to impose upon the public, and to live away at the expence of the industrious and unsuspecting part of mankind. On the other hand, were our banks confined to a fixed sum, above the value of which they were not allowed to issue bills, this bad effect, it is probable, would not be produced; for the managers would naturally, upon application made for money, prefer the real improver to the projector, even tho' the security offered by both should appear equally good; and thus, by laying restrictions upon our banks, with respect to their circulation, they would not only be prevented from extending our currency beyond what the situation of the nation requires, but, in some measure, likewise

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would be prevented from putting their money into improper hands.

I ought perhaps to have expressed myself with greater diffidence on this subject, as my sentiments are so different from those of others. A late author, universally and justly admired, has appeared in support of the present extent of currency: He asserts, that unless the present currency is supported, or rather extended, that both our manufactures and the landed interest must be ruined*. It is with reluctance that I express sentiments different from those which this spirited author has declared to the world; but this is not a speculative point, like the subjects of philosophical disputes, which are commonly of such a nature that it signifies little or nothing what men believe concerning them. This is a matter of the greatest importance; and it is possible, that upon the conduct of the nation in so critical an affair, may depend its being as a state. Every person therefore that enters upon the subject, ought to deliver his sentiments with freedom. This author acknowledges two things which ought to be attended to as important in the present question.

* Enquiry into the late Mercantile Distresses, pages 39. and 45.

THE *first* is, That our manufactures have been for some time in a declining state, and that the produce of them is crouded in warehouses*. The *second* is, That the increase of our currency has been the means of raising the price of provisions †.

Now I beg it may be considered with attention, what must be the consequences with respect to our manufactures, if the present high price of provisions is kept up, or raised still higher by an increase of currency. That our manufactures are in a declining state, not for want of money to carry them on, but for want of consumpt, on account of the high price, is well known: It must be so, if the produce of them is crouded in ware-houses. If it is possible then to recover them, it must be done by reducing the price of materials and labour; and this can only be done by reducing the price of provisions.

THE landholder is in a different situation from the manufacturer: For as in all farms lately taken in lease, the rent is adapted to the present high price of their productions; if this price is reduced, the tenants of these farms must undoubtedly fail; and if their landlords shall insist upon their full rent, their ruin is inevitable. This is an event which every thinking man will endeavour, if possible,

* Page 17. and 54.

† Page 34.

possible, to prevent, not only on account of his regard to his country in general, but also for that useful body of men in particular. But shall this be done by supporting the currency, and thereby keeping up the price of provisions at the present height? In this case I am afraid the cure would prove at least as bad as the disease: For while the price of these continues so high as at present, it is impossible to recover our manufactures from their present languishing situation. Besides this, the giving support to the present extent of currency, can do no more than put off the evil day from the farmers a very little longer. If by a continuance of the present high price of provisions our manufactures are ruined, the price of those must at last fall in spite of any support that can be given to currency. The more that currency is supported, and the farther that it is extended, this crisis must be the sooner brought on. But if it is thought proper that our currency shall be brought within narrower bounds in order to reduce the price of provisions, it may be asked very naturally, What is to be done for the support of the farmer? Is he to be left to the mercy of his landlord? The question is delicate, I cannot answer it without pain. But it is no less important than it is delicate. Its importance requires that I should say, This ought not to be done. Such

Such a measure would prove certain destruction to the tenants in general, a very great detriment to the state; and probably, at last, the ruin of the landed interest. There are many landlords who manage their own affairs, and to whom GOD has given sense and humanity, these indeed may be trusted: There is no doubt, that upon an event of this kind, they would make a new and equitable bargain with their tenants. There are also many who, although they do not manage their affairs themselves, yet commit the management of them to persons of knowledge and probity, are at pains to inquire into the situation of their tenants, and consider themselves as concerned in their fate. These likewise may be trusted: But I am sorry that I am obliged to add, that there are some of a different character, who have no more compassion for their tenants than for the Moors of Bengal, or the Caribbs of St Vincents. Immersed in dissipation, or possessed by avarice, they assign the management of their country affairs to persons whose whole merit consists in being expert in bargain-making, and who are considered as the better qualified, and are the more highly valued, the more they are habituated to the low arts of trick and cunning. To leave our tenants at the mercy of such persons would be as imprudent as cruel. If ever the Government therefore

therefore shall regulate our currency, or take any other method to reduce the price of provisions, something at the same time must be done for the security of the tenants. It is at least necessary that a breach be made in their leases; and that in the year before this breach takes place, they shall be freed from some of the severest of the restrictions with which it is now common to bind up tenants. By these no injustice would be done to landlords: For if the price of provisions and other commodities is reduced, thereby their expence is lessened, and it does not require the same rent to support the same dignity. If strict enquiry is made, it will probably appear that landholders, tho' their rents are doubled, cannot afford to live better than formerly. In like manner, should rents be reduced in proportion to the price of commodities, they will still be able to live as well as at present.

THE necessity of regulating the currency is particularly applicable to Scotland. And indeed the situation of that part of the kingdom is very alarming. I would beg leave to call the attention of persons to this: Let us consider what has already happened, as the best way of judging what we have reason to expect.

It is a fact well known, that our banks have been obliged regularly every year to
bring

bring gold from London. The author above-mentioned says that there is no reason to believe that a greater sum was brought this last year than for several preceeding years. However, it is probable that this trade has increased along with our paper currency; and indeed from the management of the particular bank which he mentions, seems to have been unavoidable. Now this sum annually brought from London, may be considered as the balance owing by Scotland to England. The gold brought from London to the Scots banks is regularly taken out of the banks, and either carried to the English manufacturing towns from which Scotland is supplied with commodities, or back to London for the expence of the Scots Peers, Members of Parliament, and Court-attenders, and to bear the expence of appeals, which are now become so common. Whether the increase of this balance against Scotland is owing to the increase of luxury in this part of the kingdom, to the decline of the Scots manufactures, or to the loss of the claret-trade, I shall not at present enquire; however, it is certain, that by drawing and discounting bills to provide gold, and by drawing again for the payment of these, the debt owing by Scotland to England is annually increased; and if this is the case, I beg leave to ask how this debt is to be paid?

A merchant who trades with a foreign nation, and has the balance on his side, may have this balance remitted to London, and can draw to the extent of it. This merchant can furnish the banks with gold to the extent of the balance of trade in his favour. But unless in this manner, I am at a loss to know how the debt contracted by the Scots banks is to be paid. For if it is the want of specie that has occasioned bills of exchange to be drawn and discounted, and if the causes for this want of specie continue, every other method taken to pay the debt must bring both the banks and country into difficulties.

BUT it is necessary further to observe, that notwithstanding the difficulties that the Scots banks meet with in procuring specie, yet some extraordinary remittances have been made to Scotland since the peace. Some adventurers indeed have made purchases in the conquered islands; this naturally occasioned some remittances from Scotland; but these were certainly more than balanced by the money that has been brought from the East, and by which estates have been purchased in Scotland. Besides this, it is certain that considerable sums of English money are at present secured upon Scots estates. If notwithstanding of all of these, the balance has been against Scotland, what must be

be the situation of this part of the kingdom when these remittances shall cease, and considerable sums be paid annually for the interest of this debt? But this is not all: When the country is drained of specie, should the money lent by England be required, which probably will happen in case of a war, then the distress of the country may be easier imagined than described. The raising this money must occasion inconveniencies; the remitting it to England must occasion a run upon the banks, and they brought under an absolute necessity of calling in their credits, which in such a situation may prove fatal: But if the currency at present is lessened, and in consequence of this some inconveniencies arise, these inconveniencies may possibly restrain the luxury that prevails so much; may engage the grantees to live more in the country, and remit less money to London; or perhaps engage the Government to allow again to Scotland the profits of the claret-trade as a balance for the Scots estates that are spent in England.

If it appears difficult to restrain our luxury, and to lessen our currency, two of the causes of the present high price of provisions, I am afraid it will appear still more difficult to remove our taxes and to pay the national debt, the other two causes of this mentioned.

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ALL the debt that can possibly be paid during the continuance of the peace which we at present enjoy, never will be felt; and when a new war breaks out, which cannot be at a very great distance, both the debt and taxes must be greatly increased. And indeed, under the conduct of a minister of such an enterprising genius as one produced by the last war, things may soon be brought to a crisis.

A SCHEME for paying the national debt has been proposed by an author very learned in political arithmetic*. But the success of this scheme depends upon this supposition, That the nation is able to bear the expence of any war in which it may be engaged, during the course of twenty years, without having recourse to the sinking-fund, which must be invariably applied to the payment of the debt. If the nation is indeed able to bear new taxes sufficient to raise a fund for paying the interest of all loans that may be found necessary, and the sinking-fund invariably applied to the extinguishing of debt, then it is certain this fund will operate with all the force which that learned gentleman ascribes to it: But whether or not the nation is able to bear this, is a question that

* Dr Price.

cannot be determined, without such a knowledge of its situation as few private persons can acquire.

IT has already been shown, in what manner taxes raise the price of all commodities; it has been likewise demonstrated, that when the price of these is raised to a certain height, all the manufactures that depend upon foreign consumption must be ruined. An attempt therefore to execute this scheme of paying the national debt may be the means of bringing on a crisis sooner than otherwise it would come.

THERE is indeed a kind of tax, which possibly would not produce such bad consequences, and that is a tax on stock-holders. This tax, though it should be allowed that it would prove dangerous to lay it on in the time of war, might, however, one would think, be safely applied in the time of peace. As all landed men are taxed already, it certainly cannot be unreasonable to tax those moneyed men likewise; and the rather, as foreigners, who carry off some of the profits of the alley, would be thereby obliged to bear a part of the expence. Suppose then, that these gentlemen are taxed at $\frac{1}{2}$ million, which is a tax not heavier than the land-tax at 2 shillings in the pound; and this $\frac{1}{2}$ million added to the sinking-fund, or employed in the current services, as the situation of the nation

should require, the payment of the national debt would thereby be accelerated, and money raised, without throwing any additional burden upon our trade and manufactures. The moneyed men, was this done, will no doubt cry out, that this is the same thing with reducing their interest, which the Government has pledged its faith to them is not to be done. Government, from the nature of its institution, pledges its faith to every subject, that no money shall be forced out of his pocket, except what the exigencies of the state requires. Now, as Government has been long in the use of taxing the land-holder, it is time now to extend this to the stockholder, who certainly has an equal, if not a greater interest in its prosperity.

There are two inconveniencies which it may be alledged that this tax will produce. One of them is, that the whole burden of the tax will be laid upon the present stockholders. This would be the case, if in consequence of the tax stock should fall so much as to produce, after paying the tax, the same interest to the purchaser as before; but it is probable that this would not happen. Stock rises or falls according to the demand for money. When there is a demand for money, either by the Government for new loans, or in any other way, stock naturally falls; because the persons that have money, instead of purchasing

purchasing stock, employ it to supply the demand. On the other hand, when Government pays debt, or an addition is made to the riches of the nation, stock naturally rises. Now in time of peace, should the sinking fund, by proper oeconomy, be raised to its full extent, and applied for the discharge of debt, by this measure there will be more money in the market than there is a demand for, and consequently, being applied to the purchase of stock, will naturally occasion a rise. Now if, in this situation of affairs, a tax is laid upon stock, it may well be supposed, that the natural effect of this measure will be balanced by the money thrown into the market by the payment of debt. At least it may be asserted, that in this case, stock will not fall so much as commonly happens at the eve of a war.

BUT there is another inconvenience, which it may be alledged, will happen if a tax is laid upon stockholders. Foreigners may in consequence of this draw all their money out of the funds; and if this should happen the consequences may prove fatal. But this is a thing that we have no reason to fear; stockholders know very well, that the bringing a larger quantity of stock to market than is common, naturally makes the price fall: Foreign stockholders must likewise know, that though they could dispose of their stock, yet that

that the remitting of large sums of money is attended with great difficulties. These things would naturally prevent them from executing any scheme of this kind; and make them satisfied to possess their stock, and pay the tax.

THIS is a matter that perhaps should not have been mentioned, as the consequences, which a measure of this kind may produce, are not indeed so obvious as is to be wished for. But there is another thing in our taxes by which they raise the price of provisions, that ought not to be over-looked, because it is certain that it may be removed, while at the same time it is evident that no bad consequences can follow. This is the money spent by the tax-gatherers, who not only raise the price of provisions by their luxury, but also by the great amount of their salaries occasion heavy taxes to be laid upon the people. It cannot but appear surprising, that as taxes are multiplied, and debt increased, posts and pensions should likewise be multiplied, and salaries increased. Let us look into the public offices, and observe by whom business is done. It is not done by principals who have the extravagant salaries, in some cases not even by deputies, but by the clerks and deputies of deputies. These are the persons who do the business for trifling salaries, while the principals never think of it,

it, and indeed are commonly incapable of it. Surely those persons are lost to all sense of shame, who, rich and idle, can behold the poor and industrious taxed to support their luxury and extravagance, and who, instead of bestowing any blessing upon the laborious hands that feed them, are always ready upon every occasion to squeeze and to oppress them. Is it possible to imagine, that the collecting the public revenues costs so monstrous a sum as three millions? and yet there cannot be less, if we join to this all pensions, and the salaries of all sinecure offices. Many are the schemes that have been proposed for paying the national debt, and easing the people of the burthen some taxes laid upon them; but surely of all these the most natural is the saving one or two millions annually in the article of posts and pensions. Was there as much public spirit left in the nation we might still hope to be saved: But alas! judge what foundation we have for hope, when economy itself is the subject of patriotic ridicule.

BUT though we should have no hope, that luxury will be so far restrained, currency so far lessened, taxes so far removed, and the national debt so far extinguished, as to reduce the price of provisions in a very sensible manner, yet it is possible, that something may still be done to encourage the culture of corn, which

which may at least prevent destruction from coming suddenly upon us.

THE encouragement given to the culture of corn by the bounty for exportation, produced an effect the most extraordinary. We know from the most undoubted authority, that from the time that this bounty was given to the year 1759, the price of corn was much more equal, and the average price considerably lower than it had been for the same number of years before that æra. As during this period the prices of other things advanced considerably, the keeping corn at the same price as formerly, or bringing it below this price must certainly have been owing to the great improvements that were made in consequence of this encouragement. When we reflect how powerfully the causes assigned for the present high price of provisions have probably operated, we must conclude, that nothing but the great improvements introduced into the country could have prevented it from rising much higher.

BUT notwithstanding the great advantages that the bounty given for the exportation of corn has produced, in encouraging the culture of this important commodity, yet we find some persons exclaiming against this measure as most destructive to the kingdom. These persons pretend, that corn is not a staple

ple commodity, and that the exporting it not only raises the price to the manufacturer, but is also the principal cause that has drained us of all the foreign gold that we possessed, and that has impoverished the nation. That the exporting any commodity the produce of a country, should be the cause of draining the country of its specie, has very much the appearance of a paradox. Let us however do it justice, and consider what is advanced in support of it. When a British merchant, it is alledged, ships a quantity of corn for a foreign merchant, and receives the bounty, the price of the corn is reduced to foreigners; and, upon an equal barter, the foreign merchant can ship no greater value of goods for the British merchant than the reduced price of the corn, so that though the Government should lay a duty on these goods in proportion to the bounty on the corn, yet it must lose, as the value of the goods imported is less than the value of the corn exported by the whole of the bounty. If the foreign merchant shall ship goods to the value of the corn purchased in the market, so that the government may not lose, then there is a balance due the foreign merchant, which must be paid in specie. And it is added, that the paying of this balance is the thing that has drained our country of all the foreign gold we possessed. If this reasoning is

is just, it is too refined for the comprehension of an ordinary capacity: But it seems to be founded upon a supposition that will not be allowed, which is, That the exportation of corn occasions the importation of other goods to the same value. It often happens, that there are treaties of commerce betwixt nations, in which it is stipulated, that they shall take certain commodities from each other, or shall allow the importation of certain commodities, upon certain conditions. But even in this case, the one nation is not obliged to take in return goods to an equal value with those that are given. If the one takes goods to a greater amount than the other, there will be a balance owing, and this balance must be paid in specie; so that when a commission is given by a merchant in the one nation, there is no necessity that the merchant to whom the commission is given shall give one in return of equal value. And if this is not necessary in those commodities mentioned in a treaty of commerce, it is absurd to suppose that this is necessary when the commission is given for corn. When one nation takes from another the means of luxury, the quantity at any time may be lessened; but when it needs the necessaries of life, it must have the full quantity; and the nation that supplies these is not under the necessity of taking any kind of

of goods in exchange; and if no goods are taken, the whole value must be paid in specie. Now, if this is the case, the value of the whole corn exported by means of the bounty must be stated as an increase of the balance paid to the nation, or as reducing the balance paid by it, instead of considering it as the cause that drains us of our specie.

As there seems to be a difference in opinion with respect to the propriety of granting a bounty on the exportation of corn, and as the affair itself is of the utmost importance, it is proper to examine this measure with particular attention, and consider the effects that it naturally produces.

THAT the granting a bounty on the exportation of corn occasions a larger quantity to be exported than otherways would be done, is a truth that must appear evident to every person. But the bounty not only produces this effect; it also has a tendency to throw the whole corn-trade into the hands of the nation that grants it. When the inhabitants of a nation stand in need of corn, they naturally commission it from those places from whence they can be best served. Now, suppose that in Britain the price of corn in the market is the same as in another nation that has this article to dispose of, and that the expence of carriage is the same likeways, it is obvious, that the commissions

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will be given to British merchants, for this reason, that they, by means of the bounty, can afford it much cheaper than the merchants of the other nation. And if the market price of corn is commonly as low in Britain as in any other nation, the bounty granted must put the whole corn-trade into the hands of British merchants.

ANOTHER good effect produced by granting the bounty mentioned, is the encouraging the culture of corn. Corn, as the principal part of the food of the common people, and a necessary part of the food of all, is the most important commodity in any nation; and the greater encouragement that is given to the culture of it, the cheaper it will always be. The granting a bounty upon exportation is a very proper way of encouraging the culture of corn; for thereby a market is provided, and the price is prevented from falling so low as otherways it would do. This will be best understood by supposing that the bounty is taken off, that the foreign market is supplied from another country; and that in consequence of this, our superfluous corn remains on hand: The immediate consequence of this measure, no doubt, would be the reducing the price of provisions, because there would be more corn in the market than is sufficient to supply the demand. But let us look forward

ward a little to the consequence of this reduction of the price. It is certain, that when the price of corn is brought lower than the nature of the crops should produce, and no market for the whole quantity, then the culture of corn is discouraged, and a less quantity is sown. And when this happens, a very few successive bad crops raise the price to an exorbitant height, and oblige us to have recourse to other nations for bread: A thing which cannot probably happen while the bounty encourages the farmer to sow a large quantity, and thereby renders the produce greater than the home-consumpt. This is confirmed by experience; for, as has already been observed, after the bounty was granted, the average price of corn has not only been lower than before, but the price also has been more equal and less fluctuating. Should the bounty then be taken off, though the price might be reduced by this for some years, yet by the discouragement thereby given to the culture of corn, it would at length be raised higher than ever. Persons who do not consider things of this kind with attention, may possibly ask, What ground is there for fears of this kind? does not the land remain? and will not the farmer be obliged, by a regard for his own interest, to sow it? To these questions it

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may be replied, That if our farmers are obliged to struggle with their farms, which a reduction of the present prices will occasion, then they will lose spirit, and their affairs run into confusion: Or, should some of them retain their spirits, they will lay off a great part of their arable lands into grass, the produce of which will continue to sell even at a high price while the present luxury continues.

THE consequence of taking off the bounty on the exportation of corn to the nation itself, has been considered. Let us now inquire what would be the consequence of this measure, with respect to the foreign nations that are supplied by us with this article.

IT is asserted, that by means of the bounty we afford corn cheaper to foreign nations than to our own manufacturers. This, I am persuaded, is asserting too much: For if we consider the expence of carriage, the commission and the merchant's profit, all of which must be added to the price, we will be convinced, that in very few cases the bounty is sufficient to carry the corn to a foreign market, so as to be sold there at the same price at which it is bought here. But let us suppose, that the bounty in some cases produces this effect, and that our corn to foreigners is sometimes cheaper than to our own manufacturers; yet even this is not
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so hurtful a thing as it may perhaps appear at first sight. It indeed would be a very hurtful thing, if the nation supplied by us is our rival in any manufacture, and at the same time stands in need of an annual supply of corn; for by such a measure we would enable that nation to under-sell us in a foreign market. But if those countries which we supply produce corn for their inhabitants, and only fail upon particular occasions, then the supplying them on these occasions even a little cheaper than we supply our own manufacturers, must prove at length a real hurt to them, and an advantage to us; for by this the culture of corn among them is discouraged, while among us it is encouraged; and their lands, in consequence of this discouragement, are turned into vineyards, or applied to other purposes. The natural effect of this practice is, that they will more frequently need a supply, which must raise the price amongst them; and although it may be raised to such a height as to render it more beneficial for the farmer to cultivate corn than vines, yet to make a great change in the agriculture of a country, and to turn vineyards into corn-fields, is a work of many years, during which we may have frequent opportunities, if the culture of corn is encouraged amongst us, to supply them at a dear rate.

IN France they seem to be very sensible of the great advantages that Britain has possessed from the great encouragement given to the exportation of corn, and the great hurt done to their own country by prohibiting this. They are now giving all possible encouragement to the culture of corn; but it is to be hoped that the present unequal way of raising the taxes, occasioned by their manner of farming the revenues, will render every endeavour ineffectual.

THE persons that exclaim against the bounty amongst us, seem to think that it is absolutely necessary that the Government should be no loser by it; but that the exportation of corn should produce imports, on which a duty is imposed equal to the bounty. But it is not necessary that the Government should be indemnified by imports: for when the nation in general gains, the Government though it may lose at first, yet at last is always a gainer in proportion to the gain of the nation. Let us suppose that the exportation of corn produces no importation, and that the whole price is paid in specie, in this case the Government loses immediately about 12 *per cent.* and the nation, no doubt, must be taxed for the payment of this. But the additional riches that the nation has acquired in specie from foreign nations, in the improvement of land, and in consequence of this in the increase of its produce, makes

make it sufficiently able to bear the tax: So that according to this state of the matter, for every twelve that the nation pays it receives 100 in return.

IN whatever view, therefore, we consider the bounty granted for the exportation of corn, it appears in its effects truly beneficial to the nation, and therefore, instead of being taken off, except in some very particular cases, it ought rather to be farther extended, and given when corn is even at a higher price than the law, as it stands at present, allows it. However, there is no reason to expect this from the present temper of those persons whose clamours seem rather to have too much influence on Government, considering how improper judges they must be in matters of this kind: And therefore it is of the greatest importance, and indeed absolutely necessary to give every other possible encouragement to agriculture. For this purpose the following things are humbly offered.

I. THAT all tythes shall be valued. In Scotland there is no need for anything more than has already been done. It is in the power of every landholder to get his tythes valued; and there is a rule fixed by law according to which this is to be done. There are but very few that have not taken the benefit of this law, so that drawing the tythes of the produce of land is a practice now scarcely

scarcely to be met with, and in a few years will be entirely laid aside. It is not so in England; the drawing the tythes in this part of the island is as common as it is uncommon in the other. To put an end to this practice, if it will not give encouragement to agriculture, will at least remove a very great discouragement to it. The drawing of tythes is a thing of which every farmer complains; it often occasions differences betwixt him and the person that has a right to them; and when this happens, he often, in order to lessen the value of the tythe, manages his land in such a manner as even to hurt himself. It would therefore be for the benefit of both parties, as well as of the community, that tythes were properly and equally valued. Considering that the value of money is very fluctuating, perhaps it would not be proper to convert them into money, but then it would certainly be equal to convert them into fixed quantities of the kinds, of which the tythe is drawn. This would save the person who has a right to the tythe a great deal of expence, and the farmer a great deal of trouble. It would at the same time remove a ground of difference, and a very great impediment to improvement.

II. The division of commonities is another thing proposed for the encouragement of agriculture. When the high price of provisions is universally complained of, it is surprising

prising to see so many and such extensive commonities lying waste, which at the same time are capable of great improvement. In this, as indeed in almost all other things, the common people mistake their general interest. These persons are great enemies to the division of commonities, and yet there is not any measure so proper for reducing the price of provisions in that part of the country where they are situated. When we consider how high the price of corn has been over all Europe for some years past; and when we behold so many thousands of acres lying waste, we cannot help regretting that these lands have not been divided and improved, by which the price of corn might have been kept a little lower at home, and considerable sums received from the markets abroad. Of late years many commonities in Scotland have been divided. This has produced all the good effects to be desired. There are now to be seen good crops of corn and hay upon fields that formerly scarcely kept alive a few poultry cows and sheep. An evidence of how great advantage it will be to the country to proceed in this matter, in spite of any difficulties that may be thrown in the way.

III. THERE is another thing that may be of use to encourage the culture of corn, which is the making roads in the country at the public expence. The military cannot be better employed than in works of this kind;

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kind; and in Scotland, the rents of the annexed estates, if faithfully accounted for, would afford not an inconsiderable fund. The advantage of good roads is great, beyond what one at first sight can imagine. By them, the farmer has access to foreign manure for improving his lands, and to proper markets for disposing of their produce. In short, by them places at a distance are as it were brought near at hand, and the advantages of one place communicated to all. There have been of late years a great many roads made in the kingdom, and the effects produced by these roads are most surprising. In many places in their neighbourhood, the face of the country is changed; and altho' perhaps the improvement of the country was only a secondary view in making these roads, yet, it is found, that the tolls by which they are supported, are chiefly paid by the horses and carts that carry manure and corn. Let the kingdom then be surveyed with a view to the making of roads for communicating the advantages of one place to another, without any regard to the seats and lands of noblemen and gentlemen. Let a proper plan be formed and carried into execution. The employing a number of hands will probably occasion some inconvenience at first, but the goodness of the scheme will soon be discovered by a great addition to the quantity of all kinds of provisions brought to market.

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IV. THERE is one other thing that may be of use to bring down the price of provisions, and that is the encouraging farmers to labour with oxen. The advantages of a scheme of this kind are very evident: If oxen are capable of as much labour as horses, it is certain that they may be reared at much less expence, and maintained with much less corn. Oxen were considered in ancient times as the kind of cattle most proper for labour, and were chiefly employed in the severest kind, in tilling the ground, and drawing heavy carriages. In some parts of the kingdom, oxen are employed in this work at present; but almost all of these are places where agriculture is not in a flourishing situation. The cattle are ill fed, and they are commonly yoked to clumsy ploughs and ill constructed carriages. It is no wonder therefore, that the farmers in those parts, where agriculture is in a more flourishing situation, observing the bad appearance which these cattle and their labour make, should not be very apt to employ them; however, were large stout oxen employed, and these well fed, it is probable, that in many places they would do as much work as an equal number of horses; and was this change made in the cattle employed in agriculture, there would be a considerable saving of corn, besides a large quantity of butcher-meat brought to market.

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I AM very sensible, that it must be very difficult to form a plan for the encouragement of this scheme. Perhaps it may not be amiss to offer a considerable premium to all farmers in those counties where agriculture is supposed to be brought to the greatest perfection, who shall carry on the whole operations necessary in their farms with oxen, without making use of horses in any kind of labour whatever; or perhaps it would be more proper to give a premium to the farmer who shall plough the largest quantity of land in the season with one yoke of oxen. The prospect of the first premium proposed would probably encourage farmers to try oxen in all the kinds of labour necessary on a farm; and the prospect of the last would engage them to try how much labour oxen are able to perform. It is probable, from the almost universal practice of the ancients, that if proper trials are once made, farmers will find that the employing them is as profitable for themselves as beneficial to their country.

These things proposed for the encouragement of agriculture cannot be effected without the assistance of Parliament: Their importance however merits its attention; and one need not hesitate to declare, that the Minister who shall prepare bills for the purposes mentioned, and get them carried through the Houses, would certainly discover himself to be the greatest Patriot in the kingdom.

F I N I S.