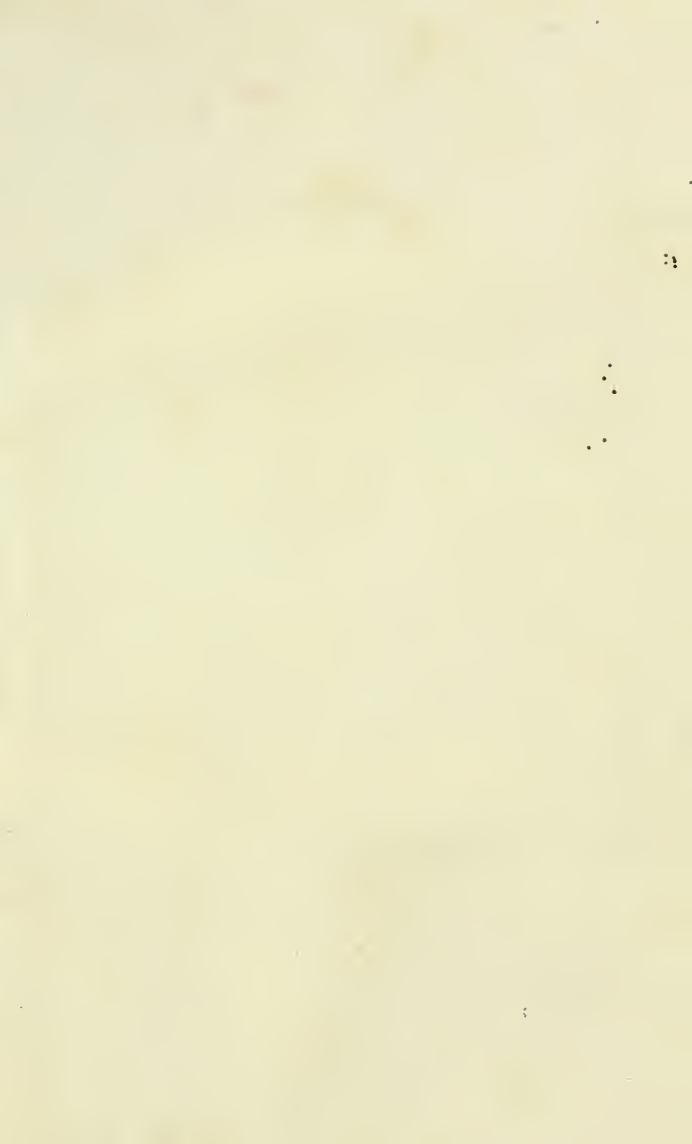




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(1-15).



PROPOSAL

FOR

THE ABOLITION OF THE

PRESENT SYSTEM

OF

TAXATION.

BY

J. B. ALLAN, M. D.,

FORRES.

SECOND EDITION.

PRINTED AND PUBLISHED

BY

JOHN MILLER, FORRES.

MDCCCXLV.

The late Gen. Dr. Peels courteous Reply to the Proposal" admitted its Originality, & importance but said "it was far from to soon to be practically intermed to any extent."

The present penny receipt Stamp, was taken from this pamphlet. Years after it was written & published.

SECOND EDITION.

The increased demand for copies of the pamphlet, notwithstanding a large issue at first, has induced the Author to go to press with a SECOND EDITION, in which the only alterations are a few errors of the press now corrected.

FORRES, 17th February, 1845.

PROPOSAL

FOR THE

ABOLITION OF THE PRESENT SYSTEM OF TAXATION.

To the most superficial observer, it is remarkable how all nations whether civilized or barbarian, distant or near, differ from each other in every respect save one—their Fiscal Regulations. It might be supposed that, as a country rose from the depths of ignorance and indigence to the heights of knowledge and affluence, it would gradually cast off every evidence of its original abjection, and as a matter of both policy and freewill, abrogate every law that either cramped native industry and skill, or restricted the purchasing from abroad of those necessities of comfort as well as of life, which, owing to soil and climate, cannot be produced at home. The contrary is, however, the case. This is not the place for drawing parallels between nation and nation, but there could be no difficulty in showing the humiliating fact, that the laws governing Taxation and Tariff, are alike in spirit amongst the most enlightened, as amongst the most darkened countries, and that they are founded and persevered in on the same arbitrary and monopolizing notions in Great Britain as in Japan. It is, however, perfectly true, that analogies such as are here alluded to, form no argument against our present system of Taxation and Commercial Policy, but we have only to examine the unceasing complainings of our fellow-countrymen of all grades, and we will have ample evidence of this system being a complex series of cruel exactions, invasive of the products of individual industry, skill, and enterprize, and pernicious to national prosperity and happiness.

[S],
Esquimaux

Greenland
Sawdust

When a tax is removed, or even reduced, witness the credit and honour the Government of the day takes to itself for *conferring the boon*; on the other hand, if one is imposed, hear the clamours

of the Opposition, and the excuses of the Ministry, and in substance both alike confirm the existence of just cause for dissatisfaction out of doors—both alike incontestibly prove that our present mode of Taxation is wrong, to say the very least of it. But can anything be right that is based only on the miserable plea of expediency and ill-natured retaliation, instead of being founded on the immutable principles of Justice and Goodwill? The early history of our country shows us that, divided into two kingdoms, and both being more warlike than commercial, it naturally fell to the land to support the public burdens. Since the Union, however, particularly with Ireland, British enterprize and commerce encompassed the earth, unfolded new sources of wealth, and established a colonial empire so vast as to render that of combined Europe insignificant in comparison. But unfortunate disputes with neighbouring nations occurring, the spirit, if not the necessity for war again returned in unprecedented inveteracy and magnitude, and its wants being insatiable, all kinds of property, every variety of trade, every work of man's hand, as well as every gift of nature, fell to be taxed even more unsparingly than the land; nay, the domiciliary visits of revenue officers, dispelled the Englishman's proud boast of his home being his castle. Nor was this all: such an enormous debt was incurred, as to anticipate and absorb the revenue thus raised, for generations to come. It took years for the people to recover sufficiently to be able to reflect on their past and present condition, but at length thinking that carrying out the old maxim of *Taxation and Representation going together*, would, by giving the manufacturers, merchants, and capitalists a voice in the senate, at once relieve them, by counterbalancing the preponderating legislative influence of the land, they brought about the constitutional reform of 1830. The change being productive of none of the evil dreaded from it, and but a part of the good it was so sanguinely expected to bestow; other changes, absurdly wild, like every emanation of popular disappointment, have since then been broached and abandoned in turn. These events would not be thus glanced at, were it not to remark that the purposes of them all resolve into one great object, viz., the melioration of the people by the repeal of taxation.

All classes of men admit that, notwithstanding the retrenchments of various kinds, and the reduction of imposts brought about since the General Peace, as well as the relaxation of the navigation laws, prohibition and restriction press so heavily on native art and commerce in general, as to render farther reductions necessary. Where those reductions are to begin, on a scale really commensurate with the public benefit and the public demands, is now the grand disputing point; and every man interested in his country's weal must lament to behold the Landed and Manufacturing inter-

ests joining issue on the subject. Whichever way the trial may terminate, there is much reason to believe that the removal of a tax or two such as the Corn and Malt taxes, will be followed by little of the good or harm looked for, these being but small portions of the cumbersome machinery of finance. Besides, admitting that benefit would be derived from the entire removal of *both* these taxes, will that benefit be so generally felt as to prove satisfactory? Past experience shews that such is not at all probable. Where then, reduction or abolition will begin, and to what extent they will be carried, so as to produce decided and permanent advantages to all, whilst "the necessary revenue" is not impaired, is a question not likely to be answered definitely, were the Corn and Malt taxes repealed to-morrow. Authorities eminent in finance and commerce declare that, if the duties on some more staple commodities, such as Tea and Sugar, were lessened, the consumpt would increase with their cheapness, so as to make up any deficiency in the revenue. Such may prove correct, but a nation's wants have limits as well as taxation, and if fluctuation occurred in demand or supply so as to produce deficiency of revenue, or if the people should persist in forgetting the lesson *taught*, but seemingly not yet *learnt*, from dear-bought experience, and what the greatest military authority has reminded them, "that England cannot enter on little wars," and that therefore their wars will be most costly, they may certainly count on the consequent deficiency of increased expenditure being made good by the reimposition of a tax, or by the extension of those now felt to be so oppressive. The present Income and Property taxes, and additional ten per cent. on the assessed taxes, are illustrations in point.

Taking a cursory view of the subject, or rather philosophy of taxation at its origin in a country in a primary state of simplicity, isolation and poverty, its returns are found to be in kind, and however despotically exacted, are applied principally to the maintenance of the Chief, or Government, of whatever sort it may be. As the same country emerges from obscurity—becomes known to its neighbours, and traffics with them—a new power of incalculable future importance, representative of value, a currency, base to be sure at first, is seen arising, and then taxes are paid in this symbol of price, as well as in kind. During this intermediate—this transition state between barbarism and civilization—the spirit of enterprize and invention being immature and feeble, discoveries in geography and the arts, were rewarded by privileges which, although at the time wise and deserved, yet, by being persevered in with lavishness and over-extension, when no longer required, ended in that parasite of industry and commerce—Monopoly. Besides the support of Government, taxation now goes to carry on war, either defensive or aggressive, with the very neighbours trafficked

with. Lastly, arriving at civilization, taxation being utterly impracticable in kind, is entirely levied in the currency of the country. In addition to the former use, the money thus raised is honestly turned to the liquidation of debt or the payment of the interest on debt incurred in war, as exemplified by Great Britain. Throughout the whole progress of taxation from its rude commencement to its present state of refined intricacy, its application and results manifest an utter disregard to the means, the comfort, and the freedom of the people—attended by Monopoly, which is not as in bygone days, secured by letters patent to one or a few, but by law to a multitude, and so designated “class-legislation;” the general good is forgotten amidst conflicting interests. Instead of every man contributing a moderate portion of his substance to his country’s wants, on some fixed principle of equity and justice, in the absence of everything like principle, extortion and oppression under the guise of direct and indirect taxes, overwhelm all ranks, regardless of their means, falling with ruinous severity on the labourer, mechanic, and artizan, in so far as requiring the same articles of food as the rich, they are not only compelled to pay the same rate of taxation on those articles, but the natural inclination of the rich for comfort and luxury being checked, the working classes are thus deprived of employment, and the fruits of employment, which would otherwise go to procure them in turn the comforts of life. “Exigencies of the State,” the true and legal cause is made the excuse also for upholding this pernicious system which it is the duty of every man living under, to become acquainted with, and endeavour to correct. The reason why such a system has been so long persevered in is, that no better has been devised. Able men, great legislators, go the length of saying some taxes ought to be abolished, others diminished, but they go no farther, and it is very plain that there will be nothing like unanimous satisfaction until every tax yields its place to a substitute easily worked, and pressing equally and moderately on all ranks according to their circumstances.

The celebrated Adam Smith, in treating on taxation, lays down these four admirable maxims—1st. That every tax should press equally on all ranks in proportion to their means. 2d. That the amount of tax which each individual is bound to pay, should be certain, and not arbitrary. 3d. That the tax ought to be paid at the time, and in the manner most convenient to the contributor. 4th. That every tax should take as little as possible out of the pockets of the people, over and above what it brings into the public treasury. Unfortunately, benefit has never been practically experienced from Smith’s just and equitable set of principles, simply because they have never been put in practice, being quite at variance with the present system of direct and indirect taxes on the

fruits of industry, and the cost of various establishments requisite for the protection and collection of these taxes. The several purposes of taxation should be dividable into two great heads—1st. The liberal support of the empire in all its relations, domestic and foreign. 2d. The providing of effectual measures for rendering every kind of property safe, and for enabling the merchant, manufacturer, and mechanic, and every individual member of the community, to follow out their lawful pursuits in the most perfect security. The taxes for those purposes ought to be paid according to the rules of Dr Smith, but as that is impossible under the existing incongruous system, the question naturally arises, taking those invaluable maxims as a guide, what other system can be adopted in lieu of the present? It is very evident only one, viz. :—*Taxing directly the money every man receives.* This apparently vague and most defective proposition, differing little at first sight from the present system, will be found on examination to conform in every respect to Smith's admirable rules—diametrically opposite therefore to what now exists—to be most comprehensive, and yet so simple as to be understood by all. As its application is at once to the money every individual receives, it will here be requisite to consider the entire amount of capital circulating in the country. It is to be regretted that with amount of capital as with the real value of manufactured articles annually produced in Britain, there are no means of forming an *accurate* estimate, yet there are data to calculate from, quite sufficient for the present purpose. Commencing with the leading articles of manufacture, it appears that their lowest possible gross value in the given years are as follow :—

Cotton,	1843,	£34,000,000
Linen,	do.,	12,000,000
Woollen,	do.,	24,000,000
Leather,	1839,	13,500,000
Lace,	1843,	2,740,000
Silk,	1836,	10,483,245
Hats,	1843,	3,000,000
Hardware and Cutlery,	1839,	17,500,000
Copper, Lead, Tin, Zinc, and Brass Manufactory,		4,000,000
Earthenware,	1843,	2,450,000
Paper,	do.,	1,700,000
Glass,	do.,	2,000,000
Plate, Jewellery, and Watchmaking, do.,		3,000,000
Soap,	do.,	4,197,956
Candles, Tallow, Wax, and Spermaceti,		4,375,000

Total of principal Manufactures, £138,946,201

Total of principal Manufactures,			£138,946,201
ARTICLES OF CONSUMPTION—			
Sugar,	1842,	...	£8,040,646
Tea,	1843,	..	7,600,000
Coffee,	1842,	..	1,425,982
Cocoa,	do.,	...	156,121
Spices of all kinds,	do.,	...	150,000
Wine of all kinds,	1841,	...	4,329,490
Brandy, Rum, Geneva, and other Foreign Spirits,			2,910,674
Tobacco,	1842,	..	4,329,470
Total of leading Articles of Consumption,			£ 28,942,383
Total,			£167,888,584

With manufactures as with individuals of a community, one depends so much on another, that isolation cannot be carried beyond a certain extent; for instance, the article of leather above estimated, exclusive of being employed in bookbinding and saddlery, is largely used in coachmaking; with coachmaking therefore as with cabinet, rope, machine, and buttonmaking, and innumerable other mechanical products, no true value can be formed without including some of the foregoing manufactures, which again must consequently be excluded from their original estimate. On however, a very moderate calculation indeed, the amount engrossed in manufactures and imports, the enumeration of which would be a work of itself, will raise the above sum to £200,000,000 sterling.

Agricultural products are by many supposed to equal manufactured goods alone in annual value, exclusive of imports. M'Culloch in his article "Corn-Laws and Corn-Trade," estimated the various kinds of corn in the United Kingdom in 1842, at 36,600,000 quarters consumed by man, and 18,000,000 by the lower animals, and in distillation, &c., in all, 54,600,000 quarters. From this, however, must be deducted the average of 13 years aggregate importation, amounting to 1,919,246 quarters, which leaves 52,680,734 quarters, raised and consumed in the United Kingdom; if the seed, which amounts to one-eighth, or 8,780,125 quarters, be included, 61,460,879 quarters form the total annual average. According to the average of price per imperial quarter, ascertained by the receiver of corn returns for 1842, taking the mean of wheat, barley, oats, rye, beans, and peas, at £1 12s 4d per imperial quarter, their annual value is £98,861,754; on adding to this the value of Hay, Straw, Hops, Potatoes, and all the varieties of green crop, with horticultural produce, the sum total raised from agriculture will be at least £150,000,000 sterling. Of the number of cattle in the United Kingdom, calculated at 5,100,000, a fourth-part 1,275,000, is estimated to be slaughtered; this, on an average of

£10 a-head, gives £12,750,000. The estimated number of Sheep is 30,000,000; a fourth of them slaughtered, 7,500,000, at 10s., gives £3,750,000. Only a doubtful estimation of the number of Horses annually raised can be arrived at, but it must be considerable to supply the demand for natural decay and exportation; the total number in the United Kingdom is 1,600,000; taking of them as of cattle and sheep, a fourth, or 400,000, at £12 the annual value raised will be £4,800,000. Of Timber, the annual produce is about £3,000,000 sterling; Coals, £11,000,000. On adding to the annual value the unmanufactured ores of Iron, Copper, Lead, Zinc, Tin, and Manganese; also Salt, Lime, Stone and Slate quarries, and Brick and Tilemaking, £14,700,000 extra may safely be computed, which will raise the annual sum under agriculture to £200,000,000. Brewing and Distilling are not here included, as the Malt and Hops employed would require to be deducted from the annual value of the Crops.

It is following the general rule to adopt manufacture and agriculture as the sources of wealth. All articles of consumption are common to both; the fountains of commerce and of man's comforts they are taken as starting points in this summary division of capital, chiefly under their two heads. When placed, however imperfectly in juxtaposition, their near relationship is very obvious. They are constantly seen amalgamating and depending on each other. How much equal rights and immunities must tend to mutual goodwill and prosperity, is very obvious,—how certainly the reverse tend to misunderstanding, jealousy, and ultimate destruction, is only too apparent.

The next question is, the number of times those £400,000,000 change hands annually. From the enormous wealth of the nation, and the innumerable channels through which it is constantly flowing, nothing like an approximation to accuracy can be reached. According to the Bankers' Circular, the accounts passed in the London Clearing-house in 1840, amounted to £978,496,800. It is computed, that in London alone £5,000,000 are turned over daily, and that the diurnal transactions in all the other parts of the kingdom amount to ten times as much more. These may be exaggerations, but before condemning them as such, let individuals whose transactions are one pound a-day up to one million a-week, of which last there are several in the metropolis, consider the subdivision and transmission they themselves subject their receipts to, and trace, if they can, the incalculable purposes the money is subsequently made to serve when it passes through their hands into those to whom it is paid. Setting aside manufacture and agriculture, the sums sunk, employed and realized in various other ways are to be taken into account, when passing the question in mind.

for example, beginning with shipping. In 1842, the ships belonging to the United Kingdom, and possessions in Europe, amounted to 23,954; tonnage, 3,041,420; crews, 160,000. Their value, including outfit, is generally estimated at £10 to £12 per ton—this will make at £10 per ton, £30,414,200, while wages to crews at only £2 a-month amount to £3,840,000 per annum. During the same year, the number of vessels added to the mercantile navy was 971; tonnage, 133,275; value, £1,332,750. The sum realized in freights, and paid away in repairs and dues of different kinds, can scarcely be calculated. The same may be said of the principal docks—the East and West India, London, St Katherine's, and Commercial docks in London,—the Liverpool, Bristol, Hull, Dundee, Goole, and Leith Docks. Their stock amounts to millions, their receipts and expenditure are enormous, and their dividends are very great indeed; exclusive of the seven last mentioned places, there are 76 other warehousing ports in the kingdom, where vast sums are daily passing to and fro merely from Foreign and Home shipping, independent of imports and exports. The annual value of the Fisheries is calculated at £3,500,000. From the eighty Canals of any note in Britain, the total sum expended and realized annually amounts to several millions—that of the Forth and Clyde in 1836, exclusive of dividends, amounted to £1,487,760, and dividends £520,471. What the amount invested in, and realized from Marine, Fire, and Life Insurance, cannot possibly be ascertained. The income and expenditure of Banking and of Turnpike Roads and Bridges, form considerable items to be taken into account. For the year ending 5th June 1842, the Bank of England received for the management of the public debt and annuities alone, upwards of £160,000; and the gross profits derived from Banking in Scotland were estimated in 1841, at £600,000. By Parliamentary papers, Session 1843, the expenditure by the trustees of the 20,000 miles of turnpike roads in England and Wales in 1841, amounted to £1,551,336, and the revenue to £1,574,518. Of the thirty-eight principal Railroads, comprising 1,756 miles, the receipts for the last six months of 1844 were £3,264,450—£450,000 more than the corresponding half of last year—or about £4,000 per mile, per annum. On the London and Birmingham line, the passenger traffic for seven weeks from 1st October last amounted to £84,296. Several millions are engrossed in the receipts, expenditure, and dividends of the multitude of Water and Gas companies,—vast sums are also engaged in housebuilding, repairing and furnishing. In house rent, church rates, lighting, watching, paving, and cleansing, at least thirty millions, equivalent to the annual value of land, are spent yearly. By Mr Hume's Parliamentary return, it appears that the capital on which legacy duty was paid for year ending 5th January 1844, amounted to £43,393,139. Of the receipts of 62,750 persons engaged in the

clerical, legal, and medical professions, and of 141,977 educated persons engaged in other pursuits, nothing like a correct estimation can possibly be formed. If in this very brief and cursory view of the channels of wealth, be included transactions in the different funds, loans—home and foreign—and payments of imports, whether by exchange of commodities or cash, much of the doubt of fifty millions changing hands daily will be removed. Indeed it is evident from the multifarious demands for money in this “the workshop of the world,” and greatest business nation on earth, which all other nations have recourse to as the richest and most secure, that the daily circulation must either be as stated, or that the capital of the country instead of £400,000,000 must be, as some have computed it, more than double the amount.

According to Mr Blair, treasurer of the Bank of Scotland, the bank notes circulating in Scotland are turned over every ten days. Applying this moderate estimate to the whole capital, reckoning it as already stated at £400,000,000, it comes to be considered, not what would be required from it to make up the present annual revenue of about £50,000,000, but the smallest possible sum which could be spared out of it in its circulation for that purpose. To get rid of the present system of taxation, amounting to £1 18s 10d to every individual, it is believed that a Tax of One Penny paid on every Pound sterling, would be found amply sufficient. Allowing the capital to be turned over every ten days, it will amount to fourteen thousand four hundred millions per annum, One Penny per pound on this amounts to sixty millions per annum, or £10,000,000 above the present revenue. Not only would thus the exigencies of the State be more than made up by the institution of such a tax for those the country now labours under, but it would be found “to take as little as possible out of the pockets of the people—to be payable at a time and in a manner most convenient to the contributor—to be certain, not arbitrary—and to press equally on all ranks *in proportion to their means*”—in other words, fulfilling all Smith’s four maxims. That such a proposal as this will, if at all listened to, be met by a host of objections, there cannot be a doubt. As the tax would seem to increase almost with geometrical progression, it is not from the man of ten thousand a-year, who would have his 8s 4d per cent. per annum only to pay, opposition will come, but from mercantile men, whose receipts are as much weekly, viz., £41 13s 4d., or £601 per annum and upwards. By such it may be denounced as a fetter on trade, but on close examination this objection will be weightier in appearance than reality, and it is confidently predicated that the unspeakable benefits of universal free trade, for which it might be deemed the ransom, would render the objection of no weight, and compared with the fetters which now entangle trade at every step, it would be as the gossamer’s web.

The second objection will be as to the means for carrying out such a project. Happily in the example of Mr Hill's plan of the postage stamps, we have a means not only equally simple and effectual, but machinery in actual existence, all ready for working it out at little, if any extra expense. The following propositions are therefore submitted to public consideration :—

1. That all money received, or the equivalent of money of whatever kind it may be, and for whatever purpose, whether in trade, commerce, professions, dividends, stocks, loans, payment of labour or hire, or debt, or interest, or rent, public and private objects, &c., &c. ; even charities and gifts, pay a tax, or a discount of One Penny per pound sterling for the general purposes of the State.

2. That no sum or charge under One Pound sterling made by Banks for remittances or letters of credit, and for labour, hire, or work done under One Pound value be liable to the tax, nor yet any purchase under that value.

3. That all accounts and invoices bear the requisite stamp, either when presented or paid, and that no receipt be legal unless it be on stamped paper, or have a stamp affixed to it of One Penny for all sums amounting to One Pound, and for every additional Pound sterling, One Penny.

4. That any payment of One Pound and upwards made on an unstamped account, or receipted on unstamped paper, be held as unpaid.

Such are the leading clauses for the application of the principle, but doubtless others of importance would present themselves ; for instance, it might be found convenient for Government on one side, and less troublesome for Institutions and Companies on the other, to pay the tax on their gross revenue at stated periods, as is now done by the Railroad companies ; again, it could never be contemplated taxing sums of money drawn from bank deposits—banks in that sense being mere places of security, or the strong-box of individuals ; lastly, as a law is not a law unless its observance be enforced by penalties great in proportion to the ends it is devised for, it could be enacted that no bill or transaction, involving receipt of money or its equivalent for a Pound, upwards, be legal, unless it be on stamped paper, or by stamped accounts or receipts, and that all bills and accounts be discharged, either on stamped paper, or on paper having a stamp attached, of the value of One Penny for every pound sterling they may amount to, and evasion might be rendered still more serious, by forfeiture to the Crown of double or treble the amount of account or receipt.

It will be observed that the proposal is an engrafting of Mr Hill's plan on that all but obsolete branch of the Stamp Duties, the Stamp Receipts. This is apparently an evil in so far as the demand for Stamp Receipts is now seldom or never thought of—nay, asking for a Stamp Receipt is deemed an insulting implication on a man's honour. Facilitate however the means for obtaining Stamps, and once let the great and very different object be understood, for which those properly termed Revenue Stamps are intended, were it only the abolition of legacy duty, probates, and testamentary inventories, and the prejudice against them will be short-lived. Whether or not it should be applied to legacies would be a matter for consideration. Its trifling amount is no obstacle, and land being *property* as well as money and moveables, if applied, there could be no exemption in its favour. In order that all ranks may procure the Stamps, and employ them with as little inconvenience and loss of time as possible, they might be obtained as the Postage Stamps are now, or paper might be obtained stamped to the amount required, bearing the head of our Sovereign, with the term "Revenue Stamp," and the value from One Penny upwards. The affixable Stamps could be arranged in series, and put up as cheque-books are, but with a larger binding margin, for entering notes of any particular stamps. Each series of a certain value could be made conspicuous, by differing from another in colour, and farther by differing in shape. For professional men and retailers, stamped cards of various colours and sizes could be saleable as stamped envelopes are, and the parties' names and address being afterwards 'engraved or written on them, they would serve the purpose of receipts or accounts as the case might be. To prevent and detect obliteration and detachment of the Stamp, it could be simply written across—which would answer better than any innocuous transferable colouring matter, in the attaching substance)—and the date could be appended to it to prevent its subsequent use. To professional men, dating through the stamp of their cards alone would be sufficient and least troublesome. In all great rallying points for business-men throughout the empire, such as the Clearing-house in the metropolis, and the Exchange there, and in the chief cities, revenue officers could be in daily attendance during business-hours, for the sale of stamps in the most accessible locality.

No undertaking of any note can be accomplished without some difficulties. The foregoing are some of the principal measures for facilitating and rendering the present surmountable; others there are, such as making it to be expressly understood that no duplicate of accounts or bills require stamping; also, shortening the period requisite at present for preserving receipted accounts to prevent useless accumulation, but it would be time enough to go into them when they are practically required.

Except in so far as Ireland partakes slightly in some of the preceding calculations of manufacture and articles of consumption, she has hitherto been purposely left out of computation, in order not only to be as brief as possible in details, but also to meet a doubt regarding the amount of revenue which the exclusion from taxation of all payments for labour done under One Pound value will give rise to. On carefully going over the Parliamentary papers, supplementary to the last census, and sifting from the mass, those labourers and work-people of all denominations whose wages ranging from one shilling to one-and-sixpence per day, are supposed to be paid daily and weekly, the gross amount is found to be—after making every allowance on the labourers' side—and including the tally trade, reckoned at £1,000,000 per annum in London, and £9,000,000 per annum, elsewhere throughout the kingdom, far less than £50,000,000 out of the £400,000,000 of computed capital, which £50,000,000 being allowed, like the entire capital, to change hands 36 times annually, or every ten days, will amount to £1,800,000,000 per annum, or, at One Penny per pound, to £7,500,000. If sufficient evidence be wanting for correct estimation of the floating capital of Britain, it may be said there is none for estimating that of Ireland. On examination, however, of the value of her exports and imports, and capital that must be employed in trade, manufacture and commerce, generally, including also the annual value of land produce, estimated by the Commissioners of Poor Enquiry, some years since, at £36,000,000 (an estimation at least £10,000,000 below the mark now), the floating capital will be found to be above £120,000,000; making allowance, however, for the great extent of distress, and other circumstances adverse to every thing like collecting revenue in that country; reducing, therefore, this capital to one-half, or £60,000,000, and admitting it to change hands in the same ratio as in Britain, it will, at One Penny per pound yield £9,000,000, thus more than counterbalancing the offset to labourers, &c., by £1,500,000. Should doubts still be entertained of the proposed Penny Tax meeting the demands of the State, it will not be out of place to call attention so the startling inference of Mr Buchanan in his late admirable work on the taxation of Great Britain, viz. :—“that if the war with France had been avoided, and if the taxes existing in 1793 had improved at the same rate, as may be naturally inferred, as the tax of one penny on the pound of candles did between 1793 until its abolition in 1832, the revenue would have not only increased to £50,000,000 without any addition to the national burdens, but it would have afforded ample funds for the liquidation of the public debt, and for every munificent scheme of domestic improvement.” When such a curious financial fact is brought forward, wherein a Tax of One Penny on the pound of Candles takes such a prominent position, who shall maintain that

a Tax of One Penny on every Pound Sterling of the floating capital, will not in time realize the anticipations of Mr Buchanan, and meet the more immediate exigencies of the State, but also enable this country to educate and support its poor, not in the pitiful manner now attempted, but on a scale befitting the character and duty of the first nation on earth; a systematical arrangement forming, with a Minister of State at its head, a distinct department of Government, radiating from the metropolis into every county and parish of the United Kingdom.

With whatever disadvantages this plain practical application of Smith's principles might be attended, let them be investigated and contrasted with those that result from any one branch of the existing taxes, and they will bear no comparison. A particular examination of the evils of any division of taxes, and of the benefits that would follow abolition are beyond the limits of this paper, yet it will not be amiss to offer some remarks on them before ending. Take for example, those that are looked on with indifference, if not with satisfaction, by the bulk of the people, because they are levelled against the rich—the assessed taxes. No man being now taxed according to his means, nothing can be more fallacious than taxing the rich, simply because they are rich. It is wisely ordained that man strive to multiply his comforts by improving his circumstances, in no country is this noble contention more conspicuous than in Britain. The unanimous and steady perseverance in this pursuit, by the most honourable paths, has raised our country to its present exalted position, while prosperity and adversity are seen to prevail more or less in other nations as they follow her example, or chose instead, to seek the same end through the rapacious windings of faithlessness, discord, or bloodshed. As comforts are obtained, luxuries are sought after, but neither can be procured by a man without the aid and co-operation of his fellow-creatures, whilst they again cannot be expected to comply with his wishes by giving him their time and labour without remuneration to purchase them in turn the necessaries and comforts of life. It is this predominating desire for comforts and luxuries which necessarily draws in its train taste for the Fine Arts, as also love for the many outward symbols of wealth and rank, all leading to employment and outlay of money, the extremes of the rule, sordidness and prodigality are its exception; ostensibly taxing the rich then is virtually taxing the manufacturer, the agriculturist, the artist, the mechanic, down to every class of labourer. Of the assessed taxes, the Window tax, that remaining substitute for the Hearth tax, is highly impolitic. Here the health of the householder, the genius of the architect, and the skill of the manufacturer are indiscriminately attacked and curtailed. Severe though the direct duty on crown glass be, of £3, 13s. 6d. per cwt.,

or 200 per cent, this form of direct house tax is fully ten times the amount of the direct duty; in other words, out of every £30 spent for window glass, £10 worth only is obtained, the other £20 going in duty, of which duty the Window tax amounts to two-thirds, or £13, 6s. That the others of the assessed taxes as well as this are akin to penalties is very evident. In 1842, the duty on carriage horses and servants amounted to upwards of a million. Were these duties and the Income tax alone repealed, it is not too utopian to believe that of the 60,000 proprietors whose incomes are from £1000 per annum, and upwards, at least a fourth, or fifteen thousand would be induced to keep an extra servant and horse, and the advantages to agriculture, manufacture, and artizans, would thereby exceed the duty derived by Government from all the assessed taxes put together. The number of carriages, exclusive of hackney coaches, paying duty in 1840, was beyond 74,000, and the duty upwards of £320,000. It is inconceivable to what extent increase and perfection in coachmaking would proceed, from the removal of the direct tax on vehicles, and on the materials employed in their construction. The next taxes that are looked on with complacency, are those on Foreign Wines and Spirits, also Tobacco,—the first are the luxuries peculiar to the rich, from their enormous cost, and the latter, common to both rich and poor. The heavy duties on Foreign Wines are injurious chiefly in two different ways—in a moral sense, as their free introduction would lead to their preference instead of ardent spirits, and so, by substituting a wholesome and healthy beverage, accessible to all classes, form a powerful corrective to intemperance, with its demoralizing and baneful effects—while in a commercial and manufacturing sense, their free introduction would benefit both ourselves and neighbours by breaking down the present retaliating, unsocial system, and permitting the interchange of those articles of production, which the wine-growing countries, chiefly France, having no natural or acquired capabilities for, would see it their interest to take from us. At present the duties on all wines are equal, that is, the light cheap wines of Germany, worth £8 or £10 a hogshead, have the same duty imposed on them as Burgundy and Champagne, worth £50 to £60 a hogshead, “an absurdity,” as a writer has remarked, “that would not be exceeded were the same duty charged on small beer that is charged on gin!”

Except in a state of the most primitive barbarism, no nation can, from the diversity of soil and climate, supply all the wants of its people, any more than an individual mechanic can, from his own ingenuity and handicraft, produce and fashion all the different articles of manufacture and art required in the town in which he lives. A pertinacious adherence then to the exclusive system, even in wines, is most pernicious, as is proved by the quantity of

wine imported in 1841, 6,184,960 gallons being actually less than between 1786 and 1794, when the population was one-half. In the present duties of 5s. 9d. per gall.; an exemption is made in favour of Cape wines, which are 2s. 11d. These, with one small exception, are so deleterious as to be unfit for use, yet the importation of from 3 to 500,000 gallons annually, is encouraged it is presumed for the purposes of adulteration. With regard to Brandy, the quantity entered in 1786, was 1,500,000 gallons, in 1842 it was 1,067,477 gallons, being 432,523 gallons less. In France, the production of wine is next in importance to the purposes of agriculture. Its annual value is 1,000,000,000 francs, or £40,000,000 sterling, yet, from deficiency of demand in 1843, it could not pay arrears of taxes without a loan of 2,000,000 francs from Government.

This glut of wine in France resembles what often occurs at home with manufactures. Were we to begin to do good to our neighbours by purchasing, on free principles, their wines and brandy, they, as a natural consequence, would see the policy of taking British manufactures, and thus we would be benefitting ourselves doubly. Good light wines might be bought at from 8d. a bottle upwards, whilst brandy which it taxed 22s. 10d. per gall., could be introduced at from 3s. 6d. to 6s. a gallon. As for tobacco, admitted to be a harmless, though a "filthy luxury," its price in bond is from 3d. to 6d. per lb., whilst the duty is 3s. Although it yielded in 1843 a net revenue of £2,880,840; it is believed that if the duty had been lessened to 1s. per lb., as proposed by Mr Hume, from the extent of smuggling that would thereby have been totally suppressed, there would have been little defalcation of revenue. This herb is known to grow well in England and Ireland, why not return then to its cultivation in the latter country, at any rate—where it formerly made considerable progress. If duty were at all required, licences to grow the plant would be the most simple and sufficient, but every man should be at liberty to grow his own tobacco as freely as his own vegetables. The obnoxious nature of all the other taxes, especially on sugar and tea, is too notorious to need comment. In the sugar tax it is curious to observe what pains the British are at to do themselves the greatest possible injury, in taking upon them to punish slaveholding countries, by prohibiting their sugar. If we were the only people who used sugar, and if by prohibition the abomination of slavery could be put a stop to, all well and good, but those who are at all acquainted with such countries, know that *our* refusing or taking their produce will neither shorten nor lengthen the slavery of one human being a single hour. In the slaveholding countries Britain is meeting with the keenest rivalry. The United States, Germany, and France, are there following so close

in her wake, that the small duty of 2s. 11d. per cent., or the third of a penny on the pound of cotton wool is found to be a serious clog in the markets for her manufactures. Encountering so close a competition then, and seeing that rejecting the sugars from Brazil and elsewhere is not the true means of terminating slavery, it is high time to cease being driven by such sophistry to prejudice ourselves.

The duty on Timber bears analogy, as far as absurdity goes, to that on Sugar. Formerly Canadian timber enjoyed a differential duty of 45s. a load, but by the recent Tariff Act, foreign timber was reduced from 55s. to 25s. and 32s. the load, and colonial timber from 10s. to 1s. and 2s a load. Under the pretext of benefitting Canada, however, the real meaning of the duty still is compelling the purchasing at a dear rate of timber, the softest and soonest rotten of any in the world, from the nature of the soil that grows it, and prohibiting the use of European timber, the most durable, the cheapest, and from similarity of soil and climate of the countries that produce it, to our own, the best adapted of any for our important purposes of ship and housebuilding. If taxes on imported articles be indefensible, we have in daily print ample evidence how much less defensible taxes on our own manufactures are. Those on glass generally, on paper, soap, beer, malt, &c., &c., are constantly assailed, and with justice. Indeed, it is admitted that Necessity and Revenue are their only justification. The only tax that is tacitly submitted to, is that on Ardent Spirits, but even its policy is questionable. Experience has proved that excessive duty on Spirits actually fosters and encourages all the criminal excesses of drunkenness and smuggling; yet it is believed the people generally must shew, by disuse, their abhorrence of intoxicating liquors before all duty on them is repealed. In the meanwhile, assimilating the rates of duty in England, Scotland and Ireland, from 7s. 10d., 3s. 8d., and 2s. 8d. respectively, to that of the last country, 2s. 8d., and simplifying at same time the excise regulations might be adopted as the prelude to the fall of this tax also.

One of the greatest evils of our Fiscal Laws is the extent of smuggling, another, the enormous outlay to prevent that evil, and to collect the revenue. Lord Clarendon and Dr Bowering in their report in the commercial relations between France and Britain, estimate, from the most authentic sources, the amount of duties lost to this country by the smuggling into it of over-taxed French articles, at upwards of £800,000 a-year. Considerably more than a half of this is on brandy alone. Of tobacco, there is no estimate, its fraudulent introduction is so great, but including it and silk manufacture, &c., more than two-and-a-half millions of revenue are annually lost, to the Exchequer by the importation of smuggled goods from the continent. How signally all efforts fail to prevent this is well known, notwithstanding land and preventive guards, costing the country upwards of half-a-million ster-

ling per annum. Collecting the revenue costs nearly three millions a-year. Depriving a single individual engaged therein of his means of livelihood is never contemplated, but in favour of Free Trade it must be held in view that nearly all this sum would in time be saved by its adoption.

The grand object of all trade, commerce, and manufacture, is to convert the same into, and raise *money*—the grand object of all taxation is to raise *money*. It is very clear, taxing directly and indirectly trade, commerce, and manufacture, in the arbitrary and irrational manner now practised, must, by shackling all three, confine their sphere of action, defeat the end in view, and cruelly blight the efforts of all engaged in, or depending on them. But as taxes are indispensable, it is equally clear that money being their primary object, they ought to be laid on *money* and money only. If the preceding scheme for carrying out this change, founded on the four principles of a great man, be worth consideration, it is hoped the good in a general sense that would accompany it will not be overlooked. England would, by adopting Universal Free Trade, at once outstrip every nation on earth, whilst they sooner or later would be compelled to follow her example, and thus each and all by giving and receiving one another's products, would promote and secure the general and individual understanding and happiness.

In conclusion, it may be remarked that, except bringing down some of the calculations to a more recent date, the proposed tax, founded on Smith's maxims, was thought of, and computed in 1840, commencing at One Shilling per pound, and gradually decreasing it until it was found One Penny would answer. On the 27th January, 1841, a very brief modification of the One Penny tax on all accounts and receipts was submitted to Mr Baring, the then Chancellor of the Exchequer, and acknowledged by him six days after. On the 2d December last, a copy of that paper was sent to the present Chancellor. As none can have surer and quicker means of obtaining data to calculate on, than such men in office, neither were troubled with any proposal as to what extent the tax might be carried, or its real purport, except the last, to whom a graduated scale made out in January 1841, was enclosed for raising at least four millions with the remark, that "if One Penny were paid on every pound sterling as it changed hands, such an enormous amount would be raised, as to render every present existing tax unnecessary." If it became a question as to the particular point it should begin at, we have the present revenue to try it on. The revenue amounts to say £50,000,000, it is all paid away, but before the administration lose sight of it, it changes hands at any rate four times; applying the tax however to it when first expended, it is a curious fact that the returns would be £208,333; exceeding the net produce from all stamp receipts in 1842, by £50,000.

Forres, January, 1845.



