

“tained; or the facilities of bringing it to  
 “market may be increased. In either of these  
 “cases the metals would fall in value, and  
 “would therefore exchange for a less quantity  
 “of other things. On the other hand, from  
 “the increasing difficulty of obtaining the me-  
 “tal, occasioned by the greater depth at which  
 “the mine must be worked, and the accumu-  
 “lation of water, or any other contingency, its  
 “value, compared with that of other things,  
 “might be considerably increased.

“It has, therefore, been justly observed, that  
 “however honestly the coin of a country may  
 “conform to its standard, money made of gold  
 “and silver is still liable to fluctuations in va-  
 “lue, not only to accidental and temporary,  
 “but to permanent and natural variations, in  
 “the same manner as other commodities.”

## CHAPTER XVI.

### Taxes.

As the whole income of society must be spent, taxes can be no evil to a nation, in a commercial point of view. Those who supply the consumption of the country, or the goods that are exported in payment of those foreign commodities which the nation consumes, can do no more than supply it; and it has never been contended that the receivers of the taxes were in a different situation with respect to the expenditure of them, than those who derived their incomes from any other source. Both must spend them in one way or other, and neither can do more.

It may be a very annoying circumstance to the ultimate payers of the taxes, to have their property, when there is no danger at hand, encumbered with the support of a great many persons who are of no present use to them; even though these individuals may have spent the prime of their days in their service, or may have hazarded their lives in order to protect them, their families, and those properties out



of which the taxes are paid, from oppression, spoliation, and plunder. It may be very provoking also to pay the interest of the debts, which they may have contracted, as without these incumbrances they would have so much more to spend in their own personal gratifications. But, to those who supply the articles which are consumed, by means of the expenditure of the collective income of the nation, it is quite immaterial whether it is consumed by the pensioners and national mortgagees, or by the ultimate payers of the taxes, in administering to their own gratifications.

To those who have the taxes ultimately to pay, they are of course an evil; as much as an encumbered estate is worse than one which is not so. But the labouring classes, who are often the most clamorous against taxes, have in fact the least to do with them. The wages of labour are proportioned to the supply and demand for it, and are not at all affected by the average monied cost of commodities, whether high or low, or whether it proceeds from taxes, the balance of trade, profits of capital, or whatever cause. If taxes are an evil to the lower classes, so are profits of trade. A certain demand for labour must be requited by a certain payment in commodities, by which it is supported; and though changes of price, by good or bad harvests, or other causes which often

temporarily affect the price of every different commodity, have the effect of injuring or improving for the moment the situation of the labourer; yet all permanent changes in the general price of commodities, whether they proceed from taxes or any other cause, are ultimately followed by a corresponding change in the wages of labour, as, we trust, has been already established.

Taxes, in whatever manner they may be levied, fall ultimately upon real property; and when they are laid on gradually, in the manner in which they are generally imposed, they fall so imperceptibly and equally upon every one, that probably no ill effects are experienced from them. After absolute necessities, the gratification derived from expenditure is the result of habit and ambition. The former may gradually be changed without much violence, when the latter is not affected. There is no great difficulty in laying down a carriage, dispensing with a servant, &c. if every person in similar circumstances does the same. It is the rank which fortune gives that constitutes a great part of its value; and as the imposts of government fall equally upon all, according to their incomes, though they may be the means of curtailing the gratification of some artificial wants, they leave the gradations of rank and fortune undisturbed.



With respect to taxation on articles of foreign trade. The first effect of a tax upon a commodity, is to increase the price of it; and the next, to reduce the consumption in a proportionate degree, of both the home and foreign consumer. This is intended by it; it is an indirect way of taxing income, which thereby cannot command the same quantity of consumable commodities as before. But it does not in the least diminish the general demand for labour and commodities. The object of the tax is to acquire income with a view to expenditure; and if the foreign consumer, from having to pay more in price, consumes less in quantity, the power of consuming the difference is acquired by government, and the foreign consumer thus contributes his share to the expences of the state.

## CHAPTER XVII.

*Tax upon Foreign Corn.*

WHEN the foreign demand, for the commodities of this, or any other country, determines the balance of payments in its favour, there are two ways in which the trade may be brought to a balance: either by a general elevation of prices sufficient to curtail the demand; or by an elevation sufficient to create an importation of the produce of the soil that will command labour and commodities enough to supply it.

In the latter case, no great rise of the national prices beyond those of the neighbouring countries trading with it would take place. Instead of the increased demand for commodities being paid for in money, it would be paid for with food and materials, by which an additional quantity of commodities, corresponding to the increased demand, would be produced. It is of no importance to a British manufacturer, for instance, from whence the demand comes which he supplies; or where the food is grown which he eats. If his bread be good, it is immaterial to him, whether it is the produce of Yorkshire, or of Poland.