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My dear Mr. Wallis

As nothing can

be done by the time I write

the accompanying pamphlet

has been which I am

sure will be more useful

to a political economist than

to a psychologist. I beg there-

fore that you will accept

1862

Dear Mother
I have received
your kind letter
and am glad to hear
from you. I am
well and hope
these few lines
will find you
the same. I
am your affectionate
son
John



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THE
POPULATION AND RICHES
OF NATIONS,
CONSIDERED TOGETHER,

NOT ONLY WITH REGARD TO THEIR POSITIVE
AND RELATIVE INCREASE,

BUT

WITH REGARD TO THEIR TENDENCY TO MORALS;
PROSPERITY, AND HAPPINESS.

By SIR EGERTON BRYDGES, Bart. K. J.

GENEVA,

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August, 1819.

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PREFACE.

THE first idea of writing the present slender Volume was prompted by some passages in Jean-Baptiste Say's *Traité d'Économie Politique*, which, while reading the Work at Paris, in Aug. 1818, struck me as not only erroneous, but as full of perplexing or mischievous consequences. On referring to Ricardo's very able Treatise, I did not perceive that he had detected some of these errors; but I perceived with extreme regret, that he completely coincided with others of them.

My subsequent travels; the sight of new countries; the intercourse with new manners, displaced and dissipated for many months all this train of ideas. In the month of April last, I know not by what impulse, I resumed the subject,

amid a multitude of other discordant literary occupations.

A life, to which books and intellectual employment have become from early and unbroken habit necessary, would be burdensome to me, if I should endeavour to spend the largest portion of my leisure in any other way. Having from native disposition of mind cherished a curiosity, perhaps far more extensive than was consistent either with my indolence, or those numerous avocations and distractions caused by a most unprosperous course of days, I never could confine myself to a single track of studies; and have always perhaps been wildly reaching at an expanse, which, like shadows, has mocked my grasp.

Whatever advantages may be derived from the disinterested ardour, with which

I have sought for truth, and the freedom and frankness of movement generated by long experience in mental labour, I am deeply sensible of the imperfections, the want of compression and arrangement, the obscurities, and perhaps apparent inconsistencies, that these excursive habits of mind may have caused in the present Tract.

In the multitude of crude or trite publications, with which the press daily teems, there are clear rules by which we can decide what are superfluous; and what are praise-worthy: what are unnecessary, because the subject has been already well executed; and what are to be condemned, because they are badly done. Novelty of opinion, or novelty of illustration, are primary recommendations, so long as they approximate to

truth, or fitness : and these in a scale of interest rising with the importance of the subject. But merit is not confined to original writers. Even compilations may be highly useful, where the matter wants a new arrangement ; or if the facts or opinions are scattered where only long industry can find them, or rare opportunity have access to them.

It seems to me, that no writer on Political Economy with whom I am acquainted, has taken exactly the same view of results, or used exactly the same arguments or method on the vital points I have undertaken to discuss, as I have done. Where we have arrived at the same conclusions, each by the original processes of his own mind, they amount to a concurring testimony of their rectitude on topics so important and so ab-

struse, that whatever tends to confirm and settle opinion upon them ought not to be deemed supererogatory. Perhaps the very errors of a writer on this subject, when put into some new form, may tend to elicit the truth.

The Public with reason suspects and withholds its assent to these Discussions, when it is believed that they are intended to answer Party purposes. Whoever has the patience to read these pages will feel assured, that I have indulged no political bias in my opinions or reasonings. It is probable that each side of the great Parliamentary Division will find doctrines strongly opposed to those which he daily advocates. My opinions on *Currency* will not please the *Bullionists* : my opinions on *Taxation* will not please the *Ministerialists* : and if my opinions on the *Corn-*

Laws are correct; and as clear and decisive as I hope they are, the vacillation of Government in 1814 on the subject of the *Corn-Bill* will not appear very excusable!

There are other large Classes, to whose disfavour I shall expose myself. The great Body of Trade will not easily forgive me for the heterodoxy of my sentiments on the Mercantile system: the *Country Gentlemen* will not suffer the earnestness with which I have pleaded their cause, to erase their resentment for the freedom with which I have spoken of the surface of their manners: and the *Clergy* will, I fear, keenly resent the frankness with which I have spoken of *Tythes*: though myself the Lay Tythe-holder of a large parish!

If there be a Party, who will find nothing discordant to the views of Political

Economy most congenial to their rank and property, it is the Party with whom I have never acted, the great Leaders of the Whigs; the Russels, the Cavendishes, the Fitzwilliams, the Lansdownes, etc. whose vast landed stake is, according to my principles, the legitimate source of power, and anchor of National Riches.

AFTER all, it is but an idle sort of dream of vain self-importance, to think that these pages will ever reach—much more, that they will ever claim the notice, or excite the displeasure of, any of these Parties. I have lived long enough to learn that no man can make his way into popularity or distinction or notice, by the force of individual strength. It must be Party—political, or religious, or national, or fashionable!

In Parliament I experienced too sensibly, that where it was not a Party Question, absolutely nothing could be done. « No man in this country, » very truly says the Edinburgh Reviewer, « ever rose to a high political station ; or even obtained any great power and influence, merely by originating in Parliament measures of internal regulation ; or conducting with judgment and success, improvements however extensive, that did not affect the interests of one or other of the two great parties in the state. Mr. Wilberforce may perhaps be mentioned as an exception, » etc. (1)

Of one attempt, however yet unsuccessful, I shall always feel proud ; the attempt to alleviate the cruel and unjust oppression

(1) Edinb. Rev. N°. LX. Sept. 1813, p. 465. See this subject more at large in the preceding and following pages of the Edinb. Rev.

oppression upon Literature, inflicted by the extraordinary provisions of the *Copyright Act of 1814*! I should not be forgiven for usurping the space of this Preface to give the history of it. Yet I will hazard the imputation of impertinence by seizing the opportunity to say a few words. I hope that the Promoter of the Bill, which in its original state might perhaps have been endured, will forgive me for saying that I was left almost alone to oppose the alterations which from a Bill of relief turned it into an Act of the most glaringly-unjust inflictions. I had to fight against the universities of the three kingdoms; against their members; against talent, erudition, experience, station! I gained a single boon, to appease me! The extension of the Copyright to the Author's life, if he should survive the twenty-

eight years! The merit of obtaining even this little boon has been usurped by the great out-doors advocate of the Libraries, (the Professor (1) who prompted the new construction of the Act of Q. Anne,) in consequence of some little verbal alterations, made in the *Lords* at *his* suggestion! I claim of future authors some little kindness for this service!

But what I then did was nothing compared with the task I afterwards took upon me. During 1815 and 1816, I found that all the evils I had predicted from the Act, were fulfilled more than twofold. The Libraries claimed eleven copies of every publication, from the most expensive down to children's penny books! They went farther; they claimed Reprints of every work, even of those first printed

(1) Mr. Christian,

prior to the Act of Q. Anne : and this in consequence of words introduced by themselves in a Committee in the last stage of the Bill, when those interested on the other side had not a suspicion of the object they had in view.

The Booksellers were despondent : they were angry ; but murmured in secret. They had experienced the enormous power, and influence, and intrigue of the Public Bodies, interested in the support of the claims ; and they feared farther struggle might be vain. My spirit was roused ; I appealed to them : they were ready to follow ; but not to lead.

I did all that the zeal and industry of a feeble individual like myself, conscious of the justice of his cause, could do, through the Sessions of 1817 and 1818. In the outset the unexamined prejudices

of the House were against me. But *magna est veritas, et prevalebit!* (1) By degrees, I am persuaded, that a large majority were on my side. The Committee had scarcely closed their sittings, when a Dissolution of Parliament took place. Till within three days of the Poll, I thought myself sure of my re-election for Maidstone, after a successful canvas, in which I had a positive majority of promises. By one of those under-intrigues in the conflict of local Parties, which, in the Lottery of Elections, it is impossible always to guard against, it became useless to go to the Poll : and the intriguing Party was punished by the return of a Member, still more opposed to their own interest, than to mine !

(1) See the Article on this subject in *Quarterly Review*, Spring, 1819.

Further details of this transaction would only interest those concerned. I lost my seat; and the *Copyright Question* lost the feeble advocate, whose volunteer-exertions had first brought it again into discussion. I have speeded it on its way, and luckier men will conduct it to success. The favour I have received from Booksellers, it is not for me to speak of! The favour which both they and authors owe me, is something!

Complaint, it is said, never yet succeeded. A querulous temper is, on the contrary, apt to produce neglect, if not scorn. The world sides with the prosperous : the best proof of merit with them is the happy event.

But to return to the subject of the present Tract : Though the outset of this Work was suggested by the supposed

perception of a perplexing error in the writings of others, yet the superstructure I have raised has entirely proceeded from pursuing the track of my own ideas : for I strongly felt that which a modern Economist, M. Sismondi, has expressed in his Preface, much better than I can do : « Un écrivain ne peut se flatter d'arriver à ces deux qualités, » (être clair et court,) « qu'en suivant la marche propre de ses idées, au lieu de se soumettre à celle d'aucun autre. Je remontai aux principes, j'en tirai les conséquences à ma manière, et je recommençai la théorie, comme si rien n'était encore établi. Je ne recourus à aucun livre, sur un sujet qui était depuis si long-temps l'objet de mes méditations ; je marchai seul, distinguant à peine ce que je trouvais dans ma mémoire, de ce qui était le résultat d'un raisonnement

nouveau De cette manière, sans en avoir seulement la prétention, je demeurai absolument dégagé de toute autorité systématique (1). »

Since I have finished, I have turned my eyes with some anxiety to the works within my reach—especially to Malthus's Supplement—as tests to assist in detecting any gross errors, into which, on so abstract a subject, without constant and exclusive addiction to it, one might be liable to fall. I perceive that on many great points, I have come nearer to Malthus's opinions than I could have ventured to have hoped.

I am confident that Memory is not the faculty I have employed on this occasion. Memory is like a granary, which

(1) Nouveaux Principes d'Economie Politique, Paris 1819. Avertissement, p. ii. iii.

receives corn to return it in the same state. Genius, and even Talent, is like a fertile soil, that receives the seeds into its bosom, to return them in a state of fructification. I would not willingly be the mere reservoir, through which the ideas of others are imparted; and in the very shape and size, in which they were received. I am willing even to hope that the seeds are of indigenous growth; and not borrowed from another soil.

But though I would willingly produce seeds of indigenous growth, I would enrich them by the variety and contrast, gathered by extensive researches over other territories. He, who asserts or insinuates that he is rich and strong enough to do any thing important, or valuable to human knowledge or human wisdom, without extensive reading, is very vain,

presumptuous, and, I may add, very ignorant. The strictest and most incessant analyser of his own mind knows not how much of the fruit of his intellectual operations is exclusively his own; and how much has been directly, or indirectly suggested by others. But it is only identity of thought, or ornament, that proves the unproductive borrower. To draw from others materials for the purpose of new combinations, or new deductions, is an act, which ought not to degrade an author to the class of intellectual Non-producers.

Geneva, Sept. 6th, 1819.

The following is a LIST of the Publications on *Political Economy* within my reach at the time of composing this Volume.

1. Recherches sur la Nature et les Causes de la Richesse des Nations; par Adam Smith. Traduction Nouvelle, avec des Notes et Observations; par Germain Garnier, de l'Institut National. 5 Tomes, 8vo. Paris. 1802.

2 Économie Politique de Comte de Verri, de l'Institut des Sciences de Boulogne. Traduite de l'Italien sur la septième Edition, ou Considérations sur la valeur de l'argent et les moyens d'en baisser les intérêts, sur les Banques, la Balance du Commerce, l'Agriculture, la Population, les Impôts, etc. etc. Paris, 1799, 8vo. pp. 207.

3. Analyse Raisonnée des Principes Fondamentaux de l'Économie Politique. Par J. Dutens, Ingénieur des Ponts-et-Chaussées, et Membre de plusieurs Sociétés savantes. Paris, 1804, 8vo. pp. 207.

4. De l'Économie Politique et Morale de l'Espèce Humaine. Par Herrenschwand. 2 tom. 8vo. Londres, 1796.

5. L'Économie Politique Moderne. Discours Fondamental sur la Population. Par Herrenschand. Paris, 1795, 8vo. pp. 289.

6. Essai sur le Principe de Population, par T. R. Malthus. Traduit de l'Anglais par Pierre Prévost, Pr. de Ph. à Genève, etc. 3 tom. 8vo. Paris et Genève, 1809.

7. Additions to the Fourth and Former Editions of an Essay on the Principle of Population, etc. etc. By T. R. Malthus, A. M. etc. London, 1817. 8vo. pp. 527.

8 An Enquiry into the Extent and Stability of National Resources. By the Rev. Thomas Chalmers, Kilmany. Edinburgh, 1808, 8vo pp. 365.

9. De la Richesse Commerciale, ou Principes d'Économie Politique, appliqués à la Législation du Commerce. Par J. C. L. Simonde, Membre du Conseil de Commerce, Arts, et Agriculture du Léman, de l'Académie Royale des Géorgofiles de Florence, et de la Société d'Agriculture de Genève. 2 tom. 8vo. Genève, 1803.

10. Nouveaux Principes de l'Économie Politique, ou de la Richesse dans ses rapports avec la Population ; par J. C. L. Simonde de

de Sismondi, Correspondent de l'Institut de France, etc. etc. 2 tom. 8vo Paris, 1819.

11. Traité d'Économie Politique, ou Simple Exposition de la manière dont se forment, se distribuent, et se consomment les Richesses. Troisième Edition, à laquelle se trouve joint un Épitome des Principes Fondamentaux de l'Économie Politique : Par Jean-Baptiste Say, Chevalier de Saint Wolodimir, Membre de l'Académie Impériale des Sciences de Saint-Pétérsbourg, de celle de Zurich, etc. Professeur d'Economie Politique à l'Athénée à Paris. 2 tom. 8vo. Paris, 1817.

12. De l'Angleterre et des Anglais. Par Jean-Baptiste Say. Paris, 1816, 8vo. pp. 65.

13. Principales Causes de la Richesses; ou de la Misère des Peuples et des Particuliers. Par Louis Say, (de Nantes,) Négociant, etc. Paris, 1818, 8vo. pp. 156.

14. On the Principles of Political Economy and Taxation. By David Ricardo, Esq London, 1817, 8vo.

15. Des Principes de l'Économie Politique, et de l'Impôt. Par M. D. Ricardo. Traduit de l'Anglais, par F. S. Constancio, D. M. etc. avec des Notes Explicatives et Critiques, par

M. Jean-Baptiste Say, etc. 2 tom. 8vo. Paris, 1819.

16. Recherches sur la Nature et les Effets du Papier dans la Grande-Bretagne, par Henri Thornton, M. P. Traduit de l'Anglais. Genève, 1803, 8vo. pp. 27.

17. Examen de quelques Questions d'Économie Politique, sur les Blés, la Population, le Credit Public, et les Impositions ; par M de Candolle Boissier, Député au Conseil Représentatif du Canton de Genève. Genève, 1818. 8vo. pp. 255.

18. De l'Industrie Française. Par M. le Comte Chaptal. 2 tom. 8vo. Paris, 1819.



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LONDON, ROB. TRIBNICK, Old Bond Street;

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1819.



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# THE POPULATION AND RICHES OF NATIONS CONSIDERED.

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## CHAPTER I.

Division of the Population of a Nation relatively  
to Riches.

---

**R**ICHES are such material (1) things as have a value in exchange either with other

(1) It seems to me that *Adam Smith's* omission of this word *material* has led *Garnier*, *Say*, and others, into inextricable confusion and error about *immaterial Riches*, and *Productive* and *Non-productive Labour*.

I contend that to entitle that which is produced to belong to the class of *Riches*, it must have something of substance, of which the producer, when he transfers it, loses the property; and which is of a nature to be capable of being re-exchanged or re-transferred. It may be consumed as soon as produced, either by the Producer, or by him who takes it in exchange; but it must have the capacity of some duration, and of being exchangeable and re-exchangeable.

material things, or such immaterial things as gratify the wants, conveniences, or amusements of man. The degree or measure of value will be the subject of a future chapter.

In a division of the population of a Kingdom, according to their different relations to its Riches, the distinction of *Producers* and *Consumers* seems very inaccurate, because all are *Consumers*. The simple and obvious division is into *Producers* and *Non-producers*.

Each part of this *division* has its *subdivisions*.

#### DIVISION I. *Producers*,

Consists of *two subdivisions*, viz :

1. Agricultural Producers.
2. Manufacturing Producers.

#### DIVISION II. *Non-Producers*,

Consists of six subdivisions, viz :

1. Those who live on *profit* from skill and Capital applied either, first, to

*Land*, as Farmers; or *secondly* to *Manufactures* and *Commerce*; OR *thirdly* to *Money* arising from *both*, as *Bankers*.

2. Those who live by *bodily* Labour applied to non-productive services, as soldiers, sailors, and domestic servants.
3. Paupers, either making no return, or not an adequate return in production, or personal services for their cost.
4. Those who live by intellectual Labours, as Members of the liberal Professions, Placemen, Literati, Artists.
5. Persons of independence, living solely on property, who are threefold:
  1. Those who derive their income from *Land* in the shape of RENT:
  2. Those who derive their income from the interest of *personal* property, secured either on Land, or



State-revenue; or by personal obligation: or, Lastly, *Mixed*, being derived from both of the other sources.

6. Possessors of State-revenue.

I shall have regard to this order in the observations which I shall have to make on each of these heads. It seems to me, after long consideration, and many changes of arrangement, the simplest and the best. To my mind, it appears to have a tendency to clear up many difficulties and confusions which have been introduced into this abstruse and important subject, especially by some late writers on political economy, foreign and domestic (1), who enjoy considerable celebrity. Admirable as the work of ADAM SMITH *on the Wealth of Nations* is, and well founded as I believe him to be in most of the points, on which some of his most renowned successors have assu-

(1) Garnier, Say, Sismondi, Ricardo, etc. I owe it to truth to declare thus early my conviction of the general solidity and profound and temperate investigations of *Malthus*.

med a triumph in contradicting or correcting him, I agree with his French translator and commentator, Comte Garnier, (1), that his method is exceedingly faulty from a want of simplicity and clearness : and that instead of facilitating the study of a science deeply complex and severe, it increases the obstacles to be surmounted. The plain path seems to be to trace Riches from their source in the Earth through all their growth and ramifications, to their apex. Adam Smith begins with that which is the great cause of the most rapid augmentation of Riches in the most advanced state of improving society : The *division and subdivision of labour* (2).

(1) Préface, p. xxiv.

(2) Garnier divides the subject more clearly and naturally into three parts, thus : 1. the formation of Riches. 2. The functions of Riches, which he divides into such as are destined to consumption, and such as are reserved as a capital for re-production. 3. The multiplication or distribution and expenditure of Riches. In adapting Smith's matter to this method,

It is not merely to the mode of pushing Riches to their utmost height ; or population to its utmost height, that my inquiries are directed. I am anxious to discuss the proportions to each other, which most tend to morals and happiness. Many qualifications to the good of a numerous population may arise; in addition to the overwhelming counterbalance, in cases where the numbers exceed the means of subsistence.

Adam Smith has undertaken to explain the principles of the production of Riches, and the means by which they are augmented to their largest amount. He has professed no more : the relative effects

he places the third Chapter of Smith's work at the commencement of this third part. I think even this improved arrangement is liable to great objections. *Say* divides his *Traité d'Economie Politique* into three parts : the production, distribution, and consumption of Riches.

*Sismondi* divides his *Nouveaux Principes d'Economie Politique*, 1819, into six parts : the formation and progress of Riches, Landed Riches, Commercial Riches, Money, Taxes, and Population.

of their different degrees upon moral and political welfare, if noticed at all, are only matters of incidental remark. The proportionate bearings of agriculture, manufactures, and commerce, upon health, character, and human enjoyment, are necessary questions to be considered and resolved in the lessons which the science of political economy, in its widest, noblest, and truest extent, ought to teach.

Even though Mr. Ricardo should succeed in proving that a supply of corn from foreign countries where it could be grown cheaper, and at a much less expence of Labour, rather than at home in less fertile soils, would contribute most to the Riches of Great Britain, whose hands would be employed more beneficially to this end by application to manufactures, of which they might more abundantly and with better economy be occupied in the production; yet, he would not therefore prove, that it would contribute more to its happiness or its strength.

## CHAPTER II.

Of Agricultural Producers.

IN the progress of society, the PASTORAL state follows that of HUNTERS and FISHERS, and the AGRICULTURAL grows upon the PASTORAL. As food is the first necessary of existence, so these occupations take place of all others.

The basis therefore of all Riches is the produce of nature; of the animal and vegetable Kingdoms; of the surface, or the bowels, of the earth.

But, by the bounty of Providence, the labour of an individual, in agriculture, can produce a considerable surplus beyond that quantity which is necessary for the support of himself, and of such of his family as are too young to work. This surplus goes in various proportions, first among the manufacturers; and secondly among the non-producers.

In its very infancy AGRICULTURE has need of the aid of MANUFACTURE.

Agriculture is no doubt the first born, and can never lose her precedence; But MANUFACTURE, if not a Twin, is a sister by a posterior conception, removed only by the least possible distance of date. They must always march together, though the former must always take the lead.

Let us recollect that the spade, the axe, the sickle, the scythe, the hoe, the ploughshare, the yoke, the tumbrel, the pitch-fork, become necessary utensils in the very outset of the tillage of the soil. And in this commencement of civilization and riches, the rudest sense of utility leads to some simple and unskilful division of Labour. It is, from the very first, found that exclusive practice gives readiness and skill; that he who undertakes every thing does nothing well; and that by allotting separate tasks to separate

people, all perform their work with mutual gain of time, ease, and excellence.

Thus early then commences the system of exchanges. He who ploughs, sows and reaps, gives a portion of the food he grows, to the carpenter and the blacksmith for the utensils of which he has need. A portion of his wool and his flax goes to the clothier and the weaver for his raiment. As the surplus of food increases, the wants of convenience and luxury spring up accordingly. It affords the means of procuring them ; and they in return afford the means to the manufacturer both of additional raw material and of subsistence.

The science of agriculture ; the best use of their implements and capital applicable to it ; the most beneficial division of farms ; the conditions and durations of tenures ; the mode of payment of rent, or Landlord's portion of the produce, involve details not necessary to the object of the present Inquiry.



Of those decreed to get their livelihood by the sweat of their brow, it is clear that the most healthy, the most innocent and the most pleasant, is the occupation of the labourer in Husbandry. It is therefore the class, in all respects, the most valuable amongst the lower orders of the population. It would then be desirable if its proportion could be greatly increased, compared with those of the other labouring classes, whether productive or non-productive.

But this increase in the actual state of things, and in the operative principles of political economy, has very narrow limits. A merely or even a mainly agricultural Nation cannot be rich. There are no large domestic funds to take off the surplus of its corn : and the surplus drawn from foreign sources in return for exportation is wasted among a few in barbarous and useless luxuries. The stimulus to production has been languid or absolutely stifled. The people have been

rude, comfortless, hardly-fed, and painfully worked ; without the least progress in amelioration ; stationary and stagnant in mind and in body (1).

---

## CHAPTER III.

Of Manufacturing Producers.

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**I** HAVE felt necessitated to anticipate the origin of the **MANUFACTURING PRODUCERS** in the former Chapter.

As a nation advances in Riches, this class are multiplied and ramified into innumerable subdivisions, employed in converting the endless raw material, which nature supplies either with or without the aid of the industry of man, into every thing that human convenience or luxury, or whim, can desire. Not only is the

(1) This does not apply to North-America, because there the Manufactures have been growing in proportion to the population.

variety of articles thus fabricated beyond the power of enumeration ; but in very many of them separate parts of the articles are assigned to the exclusive operation of separate classes of mechanics. Even the separate parts of so minute an article as a pin are made by different workmen.

As these articles multiply their diversity ; improve in their structure ; augment in their quantity ; and accumulate in their capital, the Riches of a nation encrease. Their progress must be preceded by the addition of corn and human food , which are necessary to afford support to the manufacturers while occupied in the execution of their respective productions. But when finished, they come to re-act upon the corn and agricultural commodities , which have been subsequently brought forth ; and by readily taking it off through the funds thus at their command they exert a new spur to the grower, and thus by reciprocity of action and re-ac-

tion mutually prosper, and spread, and ramify, and fructify together.

In this last stage the whole political Machine becomes highly complicated. The manufacturers become a body of powerful and not easily-managed Numbers, employed every day more and more in the supply of artificial wants: and whimsical luxuries become every day more and more at the mercy of fluctuating and changeable markets for that demand of their goods, which is necessary for the future call for the Labour on which their subsistence depends. A scanty harvest affects the whole; an alteration of fashion; a deficiency of a particular raw material; a Bankruptcy, or a mischance in the mercantile world; an impediment in the movements of the circulating medium, effects a partial, but still perhaps a very extensive Flow. All these reverses re-act unfavorably on agriculture; as the prosperity of these people re-acts favorably.

Whatever operates in strong extremes; whatever works by great ebbs and flows; whatever comes by floods into the market, and then receding again with equal force, leaves it empty and barren, has a powerful tendency to encourage unthriftiness, thoughtless, dangerously-adventurous gambling habits, in those who are brought up to depend on its unequal support. The manufacturing classes therefore strongly partake of this character. They are expensive and improvident; marry without a due regard to the future; and augment their hands without a rational hope of permanent employ. Population thus becomes superabundant; and most in the very classes, whom it is least easy to manage.

Here then we have the two primary and direct classes of PRODUCERS of Riches. But still we have not advanced more than half way in the sources and ingredients of production. A variety of other complex causes, acting in various ways,

must contribute to bring about the end. In the pursuit of this inquiry it will appear, not only what is the portion of the produce which falls to these two classes of direct producers ; but to whom the rest falls ; and the titles on which their respective portions are founded. It will explain, of whom the titles are well-founded ; and of whom the titles are false ; and equally destructive to the *happiness* of all, as to their *Riches*.

I shall shew how the first part of these Riches belongs to these producers in the name of *Wages*. The next portion to those , who supply skill and capital under the name of *Profits*. Another to the Landowner under the name of *Rent*. Another to the personal Capitalist under the name of *Interest*. Another to the State, under the name of *Taxes*. And lastly a frightful and anomalous portion to the idle and unemployed Pauper, under the name of *Poor-Rates*. I shall shew that the title of all, except the last, to its due portion, stands  
upon

upon irrefragable principles arising out of the nature of things, and their due share in the production of that, of which they claim to share proportionately in the enjoyment. And of these I trust I shall be able to shew that, if Rent increases in proportion to the extension of cultivation to poorer Land, it is not a good gained by the land-holders at the expence of the rest of the community : but a good, in which the rest of the community, in their due proportions, share.

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## CHAPTER IV.

### Wages.

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**W**AGES are the proportion of the produce, or its equivalent in money, allotted to the producer. The quantum is that which is necessary to supply food, raiment, shelter, and the conveniences which the habits of the country require, for the



workman, and that dependent family which is equal in number to the portion requisite to sustain the population. In different Nations, and even in different Provinces of the same Nation, this quantum varies according to manners, industry, customs, laws, climate, and many other influencing circumstances. It ought to be sufficient to afford not only subsistence, but even comfort according to the station of the receiver. But it ought not to go beyond this.

Excessive wages are in the first place an unjust intrusion upon PROFITS. In the next they cause an impolitic, if not unfair, addition of price to the consumer, by discouraging abundance of production; and lastly they injure the producer himself by lessening the demand for his Labour. They thus act as a material check to the augmentation of National Riches.

But Ricardo has sufficiently proved that they do not directly enhance the price to the consumer. They are in the

first instance a positive subtraction from profits. When we come to consider Profits and Price, we shall see of what each of these distinctively consists: and we shall then see that the criterion of PRICE does not involve the consideration of PROFITS.

But in England wages are, in point of fact, too often an abstraction from another sort of property as well as from Profits. They are very generally, if not universally, partly paid from the Poor-Rates. Thus profits are protected by taxation both on consumers and non-consumers, without any justice or sound principle either in the origin or the proportionate distribution of the Tax. At the same time the only true test of the value of the production to the store of National Riches is removed: *the due surplus of produce above cost*. It was quite impossible not thus to anticipate one of the absurd mischiefs of *The Poor Laws*, which will form the subject of a future chapter.

## CHAPTER V.

Cost.

COST is the wages or consumption of the labourer employed in the production; the interest of the Capital necessary to sustain the labourer from the commencement to the conclusion of his commodity; the interest of the capital employed in the purchase of utensils, with the sum necessary to replace the wear and tear; the cost of the raw material, with interest of the capital employed in it; the interest of the capital employed in live and dead stock, building, machinery, with an equivalent for the wear and tear.

Of these kinds are the prime costs to the master agriculturist, or master manufacturer. But Cost does not end here. The merchant and the retailer intervene,

before a large portion of these commodities can reach the consumer.

The additional capital employed by the merchant in wages to clerks, in warehouses, etc. must be replaced with its interest, and wear and tear. And after this, comes, in the same way, the still farther addition of the cost of the retailer.

After this comes the amount of Taxes; and last of all, the Poor-Rates. Both these last, if excessive and unequal, are in part abstractions from profits, except so far as the part payment of wages out of Poor-Rates counteracts the latter loss by a counter-injustice.

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## CHAPTER VI.

### Price.

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**P**RICE is the cost of producing the commodity under the least favourable circumstances of those to which it is

necessary to have resort, for the purpose of producing the quantity in demand.

The Price of Corn is the amount of that expenditure in labour and capital, which is indispensable in the least fertile of the soils, which are required to be brought into cultivation, to supply the subsistence adequate to the calls of the market.

The Price of Manufactured Commodities is also the amount of their costs, under the least powerful and least economical kinds of labour, the least beneficial application of capital, and the least quantity and worst quality of skill, of all the different degrees, to which it is necessary to extend the employment to make supplies tantamount to the public demands.

But there will always be temporary fluctuations in these prices, from the temporary variations in the proportions between supply and demand, and other accidental counteractions to the principle.

## CHAPTER VII.

## Profits.

PROFITS are the excess of produce above the cost of production, under circumstances more favourable than those which are the measure of *Price*. The principle is analogous to that of *Rent*, as has already been hinted; and as will more fully appear, when we come to the chapter on that subject. In both cases, the cause is, the inequality of produce from the same labour or costs. But the source of the inequality is different. In the one case it arises from the inequality of the VEGETATIVE power; in the other, as I conceive, from the inequality of the INTELLECTUAL.

Every thing which in the exercise of human labour saves time by skill; every thing which abridges that labour, by

acquiring, through the lights of science, the agency of nature, to work by machinery in aid of man; every thing which by the rays of genius or the knowledge of experience improves the direction of the use of capital, brings forth that inequality of produce for the same cost, which constitutes Profit.

The causes of this inequality are not inherent and fixed in the things over which they operate. The same powers are extendible, though seldom extended, over every thing else, of which the inferiority arises from the non-enjoyment of them. In this respect it differs from the inequality which is the source of Rent: the variations in the fertility of the soil are fixed and unalterable.

There is another characteristic of the inequality whence Profit springs. It is the inequality of increased power: of absolute gain: of which not only individual, but national, wealth, is augmented in proportion to the difference.

If we consider the operation of this principle of Profits by a familiar instance, it seems to me that the demonstration of its correctness cannot be resisted. If we suppose the costs to be paid in kind, (for the reader, to whom this subject is new, must recollect that the money-payments only represent a certain portion of the produce,) the remainder, after paying away this portion, will be all that comes to the share of the producer. Suppose the quantity produced to be a hundred; his remainder is materially affected by paying eighty instead of seventy. It will perhaps be answered that the remaining twenty will fetch as much in money as the remaining thirty would have done. But will the money command more than the money, which he could previously have got for twenty of them, would have done? *I think not.*



## CHAPTER VIII.

## Currency.

THE precious metals have been adopted from very early ages as a measure of value and a medium of exchange. Every one must be aware that exchanges in kind to any extent, even in the very rudest or simplest state of society, must always have been impossible. It would hardly ever happen that of two sellers, each reciprocally wanted the commodity the other had to sell; and in addition to this difficulty, there could never have existed the strange coincidence of an equality of value in the two articles to be exchanged.

It became necessary, therefore, for nations to sacrifice a portion of their riches for the acquisition of a commercial instrument, which might facilitate the exchange, or transfer, of the rest.

Certain metals, having the qualities of durability and divisibility; and also the nearest approximation to unvarying value, from the nearly equal quantity of labour requisite for their procuration, have been considered the best material which the ingenuity of man could adopt for this purpose. The length of time they have been in use, and the universality of their adoption, have also given them a superiority, with which no other device, not possessing this advantage, can vie.

But it is clear that any other instrument or machinery of exchange, which can effect this object better, or even as well, if it is at the same time procurable at a much smaller expence of wealth, would be highly desirable, unless it should involve in its nature other consequences, of an evil tendency greater in degree than the loss of the wealth it would save.

The human mind, continuing with the progress of time and the gradual refinement of civilized society, to advance in

skill in the conduct of every occupation in which the wants, conveniences, and luxuries of life, require its constant exercise, has long, among the vast and ever-ameliorating facilities which it has given to the mercantile system, brought into a certain degree of use in commerce a sort of paper instrument of partial circulation, by way of economising the demand for the precious metals.

It would be only repeating a trite history, to detail here the earlier steps of the growth of Paper-money in England. The establishment of the public Funds; the payment of the dividends by a National Bank, acting under a parliamentary charter; the promissory paper notes thence put into circulation by the Bank, and received by the public as readily as *Cash*, being always convertible into *Cash* at the will of the holder, are all familiar to every one.

It was not till some years after the close of the American war (I think about 1788) (1), that Country-Banks issuing their own notes were set up, and rapidly after that time became general through the chief provincial towns in England. It was supposed that the circulating medium was thus suddenly and very greatly augmented; and without an adequate increase in the riches which it assumed to represent.

The fact of a great increase at this time to the circulating medium can scarcely be denied. But another fact, which, while we reason upon it, must be never for a moment out of our consideration, is equally incontrovertible. There was at the very same time a most

(1) It was the year, if I recollect, in which the first *Canterbury* Bank was instituted by Messrs. Gipps, Simmons, and Gipps. Messrs. Fector of *Dover*, who had great money-transactions with the Continent, had circulated their promissory notes many years before.

extraordinary and unexampled start in the additions made to our agricultural and manufacturing produce, and in the skill, machinery, capital, and incidental facilities, by which their progress could be advanced.

An addition of circulating medium equal to the addition of riches (except so far as increased economy of use could supply the place), will be allowed to have been legitimate and necessary; « But » how, » it will be said, « justify an addition beyond it? The evils of such » excess are positive : a depreciation; an » injustice to all property and income, » which is reserved in money ; a variation between paper-money and cash, » which is a check to the foreign vent of » home-manufacture; and a temptation » to drain the country of coin, etc. »

It is probable that the excess in the first instance might have been large. Country bankers might have been tempted to discount unsolid bills, as a mode

of getting their own notes into circulation. If so, speculation and rash adventure were too much encouraged. Property was thus moved from its legitimate position ; given a false impulse ; and pushed through false channels, where it was often ingulphed. Reverses, clouds, alarms, in the commercial or political world, bring on convulsions and explosions, in this complex and artificial state of the pecuniary organisation of the country, which carry with them extensive disasters. These, with depreciation, injustice to monied property, check to foreign vent, and temptation to drain of coin, are grave objections, involving considerations of vast national weight.

On the other hand, it is uncandid, unwise, and delusive, to shut our eyes to the good which has been actually proved to have accompanied this system ; and can scarcely be doubted, except by the most prejudiced, to have been the effect of it.

Though paper-notes are not Capital, and therefore the augmentation of them was no augmentation of Capital, yet, if they were the means of drawing any large part of the existing Capital, inert before, into life; of employing it in more vigorous functions; putting it into more industrious or skilful hands; directing it into more productive channels; they possessed a large portion of the effect of a new Capital; they made the same Capital doubly powerful (1).

I doubt

(1) Since this was written, the Act for the future resumption of Cash payments has passed, after long debates. A good deal, therefore, of the interest felt on this important subject has subsided. The speech of Lord Liverpool appears to have been the most satisfactory, as well from sound and mature reasoning, as from extensive and accurate knowledge. There are some views of the question, which, it will be seen, strike me in a different manner from that in which they exhibit themselves to the Noble Lord. But this difference is rather in some of the details, than in the general result. The immensely-increased power of the same quantity of circulating medium

I doubt if this view of the question has been sufficiently insisted on. It is not the mere addition to the quantity,

to effectuate a greatly-augmented number of exchanges is forcibly explained and illustrated by this enlightened statesman. But I doubt if it be sufficient, should there be no positive increase, or rather a positive diminution, of these instruments of circulation, to carry to the most beneficial extent, all the work, which the rapidly augmented riches of the country require. I confess I have little fear that this diminution will actually take place. I think it would be a great evil if it should. I think so, because I do not believe that the supply exceeds the demand : even if it do exceed it a little, the good of the excess is greater than the evil : if it exceed it *much* (which seems to be Lord L.'s assumption, founded on the greatly-economised use), the diminution would be a benefit.

As long as this paper-currency commands the same value, or labour, as the metallic money that it professes to represent, the Bank can have no difficulty to pay in Cash. So long, therefore, they can feel no impediment to their issues of Notes.

It may be observed, that depreciation of value from increased economy of use, would equally apply to metallic, as to paper currency.

In the substitution of a paper for a metallic currency, there is at least one cause for a certain addi-



but the peculiar nature of this sort of currency, to which its benefits are ascribable : I mean its tendency to draw Capital into the most productive directions.

But let it be observed, that this benefit of Paper-currency does not depend on its

tion to the quantity. This is the addition, which is equal to the circulating the quantum of riches saved by exemption from the positive cost of the same quantity of coin.

But this part of my subject would swell to an unproportionate size, if I should follow it into all the particulars and copious ramifications, into which it spreads. I will only therefore say generally, that if on the one hand the evils of a paper-currency have been greatly exaggerated, and all the benefits not duly appreciated, the alarm at the proposed resumption of Cash-payments has been almost equally excessive and ill-grounded : and that, as many of the consequences imputed to the paper-system, whether beneficial or injurious, did not belong to it, so the predicted changes, from which so much convulsion and ruin is foreseen, will not take place. In truth, the very arguments most strongly urged against the resumption of Cash-payments, are exactly those, which would render the necessity of the resumption doubly imperious. *June 24th, 1819.*

non-convertibility into gold. These benefits were felt years before the Bank-restriction Act passed in 1797 ; and will continue, I trust, long after its repeal.

I have supposed , that there have been for some short periods excesses of issue ; but I am by no means sure of it: It seems to me a very undetermined question , whether all the Paper-money , which is put forth beyond the due demand for it , will not return upon the issuers ; as it may be supposed that no trader will pay interest for a larger sum , when a smaller will answer his purpose (1).

If we admit the excess , and the injuries imputed to it, still they will have many mitigations and counteractions. The abundance in the market springing from the increased stimulus to production ; the increase of skill , machinery , and capital ; the vivacity of industry ; the spirit

(1) Notes may occasionally issue in discount from the Bank on unsolid security : but I strongly suspect that in that case they very rapidly return upon them.

of enterprise ; the diminution of the pressure of taxation ; the financial vigour of a nation calculated to resist aggression, and consolidate peace by an aspect of power and awe, are all arguments in favour of the benefits of this system, not easy to be overcome.

The additional quantity of circulating medium, which the device of Paper-money gave the facility of producing, appears to have been brought into play by the increased activity of exchanges, that the momentary prosperity of agriculture, commerce, and finances at home gave birth to. It facilitated the movements of those exchanges, and gave them a fresh impulse. Had it been wanting, the want would have checked them. The supply added to the velocity, that had created the demand, and re-acted upon it : and thus supply and demand continued to act on each other, while agriculture, manufactures, and commerce continued in a progressive state.

These are facts. What then is the inference? Not only that the increased wealth of the country required an increase of the circulating medium; but that the quantity before in use was not adequate to the most beneficial employment of the wealth previously existing. An augmented proportion is proved to have given an unexampled stimulus to production.

With all these advantages, it must be admitted to be a great evil in Paper-money, that it can equal things to each other, but not to itself. It is of no value, till it is put to its function of exchange: unlike coin, while it remains with the holder, it is as nothing. Hence the temptation to over-issue it: and, if there be an over-issue, and that over-issue can continue in circulation, then this will follow; that it is an inaccurate expression of that quantity of labour, of which it assumes to be the sign. If it assumes a greater quantity of labour, or cost, in an article, than was really expended in it,

it may justly be accused of very injurious consequences. From that moment must arise the endless confusion of two prices : it must be depreciated, compared with coin ; and all those, whose property has been reserved in money, must be great sufferers, so long as the paper-currency is a legal tender : when it ceases to be a legal tender, the paper must, in that case, be soon forced out of circulation. The foreign exports will also be thus exposed to great checks.

I say this, on the supposition of an over-issue : and I admit, that there are many strong arguments in favour of the possibility, and even probability, of an over-issue. But there are also some strong reasons to doubt it. The safe mode in either case is the future repeal of the Restriction Act : if the over-issue can happen, the repeal is necessary : if it cannot, it is a matter of indifference.

A starved circulation is, at any rate, one of the most powerful checks to the

growth of Riches. The invention therefore, and extended adoption, of a Paper-currency, must be considered to be, when not abused, a gigantic engine for this purpose. In reasoning on a subject so very abstruse and difficult, it is always dangerous to rely exclusively on theories. It is necessary to appeal continually to the test of experience; and look there for results, in which alone we can have any confidence. When was England's Agricultural and Commercial prosperity at its greatest height? Was it not from 1787 to 1792? In what war were our powers of expenditure the greatest? And what war at the same time incalculably extended its agriculture, manufactures, and commerce, in spite of the waste of such expenditure? Was it not the twenty-two years war from 1793 to 1815? This was the epoch of Paper-money. It is possible, that this prosperity arose from other causes, so powerful as to surmount this alledged evil. It is pro-

bable ; nay almost certain ; that this alledged evil was, itself, the grand spring of the prosperity.

When with these splendid and victorious appearances in its favour, I frequently hear people made converts, by doubtful and puzzling arguments, to the condemnation of the System, on account of the petty evils alledged to be attached to it, I do not feel much satisfied with their rationality : but rather lament their weakness ; their prejudices ; or their faction (1).

(1) This may be illustrated by some of the alledged objections already hinted at : in which there is a strange mixture of false assumptions, false reasoning, or inconsequences ; and trifling.

It is charged against this System,

That it raises prices.

That it diminishes the powers of fixed incomes.

That it fosters speculators and gamblers.

That it causes upstart wealth.

That it transfers rather than creates Riches.

That it depresses by comparison the splendor of ancient families.

Some of these charges are not true ; or are true of it only in common with whatever else equally aug-

## ADDITIONAL ARGUMENTS.

THE various considerations involved in this intricate question make it difficult to avoid the fear of having passed over some of them too slightly. A very few years have passed since the tide of public opinion ran strongly in favour of Paper-money; and, in particular, of the advantages of its abundance. It has now taken a contrary turn; and the power of the stream sets violently the other way. It is right to see all the evils of the system in their undisguised colours: but it is not right that this should make us blind to the good. I am therefore the more

ments the National Riches: others are too insignificant to counterbalance any great advantages.

To suppress the sources of the augmentation of National Riches, either in fear of the insolence of the suddenly-acquired splendor of individuals; or in fear of the diminished value of the Dividends of Stock-holders, is a proposition too unreasonable to be endured!



anxious to enlarge on this part of the subject, at the present moment so much decried, or neglected.

The grand opposers of the Paper-system found their arguments on a *Truism*. They say: « A short prosperity, obtained » at the expence of future ruin, is bought » too high. »

It is admitted, that increase of Riches arises from increase of quantity of production;—or from decrease of labour in producing it, which brings with it decrease of price. But this latter cannot take place, where the increase of Riches has its basis in the increase of corn arising from the cultivation of less fertile soils.

A rapid increase therefore of price, is, unless it be nominal, a counteraction to the increase of Riches; though in the case of corn grown on poorer soils, it is a necessary concomitant.

But increased price, caused by the better pay of labour, gives at least a momentary stimulus to industry.

Yet every pound-note which exceeds the existence of the due number of exchangeable articles that it ought to represent, unduly increases the nominal price; and may leave the last holder in possession of a shadow.

Still this reasoning has its difficulties. From 1787 to 1813 price increased; quantity increased; prosperity went on: it went on in defiance of a most extensive and wasteful war; of enormous loans, and taxes, and subsidies.

It will be said, that the predicted evil day came at last; and that the bubble burst. But it was not a bubble: it continued too long: it gave too decisive demonstrations of solid strength and positive Riches.

That, which was called the bursting of the bubble, arose from a most extraordinary coincidence of accidental circumstances: an abundant harvest of 1813; a consequent fall in the price of corn; the reverses of Bonaparte, porten-

ding immediate peace ; and the peace that actually followed, to which, according to a false theory, the fall in the price of corn was attributed ; the sudden cessation of a War-establishment, and proportionate Government expenditure ; the scanty agricultural domestic produce of the next year ; the vast importation of foreign corn, and the failure of the Corn-bill of 1814 ; the loss of capital and loss of credit thus caused to the farmers ; the depreciation, and withdrawal of a very large portion of Country Bank Notes, that resulted from it, etc. etc. But all these extraordinary coincidences neither necessarily, nor probably attached to the system..

It will be answered, that such fluctuations, with their attendant convulsions, are inherent in its nature. I think not. I admit it to have been proved that they are possible. But what system has not its evils ? And in what are we not driven to be content with the balance of good and ill ?

Whether the profuse expences of the late wars were necessary, is another question. But if they were necessary, this System alone could have furnished us with the means, and carried us to the end.

It is undoubtedly a System of adventure and hazard. Cold prudence and cautious wisdom perhaps more advisedly dictate one, where we can more plainly feel our steps, and see our way.

I repeat however, that there are phenomena in the Financial State of Great Britain, for the last thirty-two years, not perfectly reconcileable with any of the theories on Political Economy at present in fashion.

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WHAT were the features of the period I have spoken of? One of them was, certainly, a vast increase of price. Could the quantum of this increase be accounted for by the increase of the circulating

medium? That is, by its superabundance? No. Could it be accounted for by the combined effect of augmented currency, exceeding augmented commodities; of the augmented labour, or cost, in growing corn, arising out of the necessity of resorting to poorer soils; of the release that the substitution of paper-money gave to a large portion of the coin, thus become at liberty to be exchanged for consumable commodities? Perhaps these combined causes may have been adequate to the effect.

If so, can it be denied, that there was paramount good in this effect?

Would then a repetition of the same system continue to produce the same good?

In the first place, it could not be repeated in all its parts. There could no longer be the vast augmentation from the release of coin. The coin would not remain to be released. In other respects, there are limits, beyond which the good

does not surmount the ill. There may be a point, beyond which it may not be sound policy to resort to the cultivation of unfertile lands.

These reasonings may reconcile us to the conduct of the past : and at the same time exonerate us from any charge of inconsistency in adopting a more guarded system for the future.

But for myself, I am, after long and patient investigation, still inclined to yield to the side of abundance in currency; and to reject with scorn the petty evils so perpetually ascribed to it; and so strongly insisted on, as paramount mischiefs.

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## OBSERVATIONS

*On the Opinions of the EDINBURGH  
REVIEWERS.*

LONG since this article has been drawn up, the article of the *Edinburgh Review*, Dec. 1818, on the *Pamphlets of Mr.*

*Ricardo, and Mr. Princep*, has come into my hands. This article, on Paper-money and Cash Payments, is written with profound ability, and great temper. It asserts not only the practicability of an over-issue of paper; but that the fact has actually at times taken place. Of the modes by which it argues that this has been effected, the most plausible appears to me the extent of advances to Government. These must rest on the faith of anticipated produce of revenue. This *does seem* as if the Notes so issued would either represent what did not yet exist; or what, being yet in the hands of others, might thus be represented twice over.

I have said distinctly already, that if this over-issue *does* take place in any *great degree*, it is pregnant with mischievous injustice.

It is clear, that, in the use of a Paper-currency, substituted for a proper metallic currency, if the quantity exceeds the quantity of metallic currency, that  
 would

would otherwise be necessary to effectuate in the easiest manner all the requisite exchanges of a country : that is, if it exceeds in its expression of value the amount of the actual intrinsic value in metal requisite for those exchanges, it is too much.

But the increase must be great, to produce any powerful effect. I believe that the augmentation of Bank-issues, since 1797, has not been equal to more than half the gold coin previously circulating in Great Britain, and thus released for foreign use. Add to this the paper of Country Banks, calculated at twenty millions; and perhaps the positive sum in circulation, beyond that of 1797, may be five millions. The increased riches of the country would very far more than absorb this, were it not for the increased skill in the economical application of it. For my own part, as I am strongly inclined to believe that, till towards the close of the Peace following the Ameri-



can War, the circulating medium was not sufficient; so this addition, combined with its more economical use, by no means exceeds a liberal supply of the due wants arising out of the riches and commerce of the nation.

If it should exceed it, (and I admit the strong temptation on the part of the issuers), the provisions contained in the Act for the future resumption of Cash-payments, will furnish an adequate controul.

I conceive the alarm of the Bank to have been quite fanciful. The demand for cash could only take place, in case of excess of issue; and only to the amount of the excess. In that crisis they might be losers :—but of what? Of part, (*only then a part,*) of their former profits. If coin has gone abroad, we have had value for it; and by sending value back again, cannot we have bullion?

It is pleaded, that the fluctuation of these ebbs and flows brings with it serious

mischiefs. But who would be the principal causers of these ebbs and flows? The issuers themselves. Can they take advantage of their own wrong? It is urged, that if the Bank have over-issued, Government have drawn them into it; and now impose on them the loss. But have they not had the previous profit?

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## CHAPTER IX.

### Non-Producers.

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**I**F Riches be *material* things, which have a value in exchange; and of which, therefore, from the very essence of their material nature, he, who transfers them, himself loses the property, it follows, that Adam Smith's distinction between *Productive* and *Unproductive* Labour, as applied to *Riches*, is correct; and that, with Say and others, to class the Pro-

ducer of *Immaterial* benefits (which Say calls *Immaterial Riches*), among *Productive Labourers*, is to sow endless confusion on this subject.

I allude to the *Third* Chapter of the *Second* Book of Smith, *Of the Accumulation of Capital; or of Productive and Non-productive Labour*. The author's reasonings and illustrations appear to me to be clear, correct, and beautiful. In every one of his instances will, as I conceive, be found the distinctions I have pointed out. He says, that the labour of a manufacturer realises itself upon some object; upon something vendible, that remains after the labour has ceased. It is something put in reserve to be employed on another occasion. The labour of a domestic leaves no trace, or value, by which to procure an equal quantity of services. This is true of all *immaterial* services; those of the Divine, Lawyer, Physician, Musician, etc.

Yet *Comte Garnier*, in his fifth volume, annexed to his *Translation* of Smith, has a long note (xx.) of thirty-two pages, to prove this distinction erroneous. His whole argument turns on the position, that these *immaterial* labourers give something *useful* in return for the pecuniary recompense that they receive; and that therefore the riches of a nation are more augmented by multiplying them, than by multiplying many kinds of those, whom Smith denominates Productive Labourers.

JEAN BAPTISTE SAY, in his *Traité d'Économie Politique*, forms Chapter xiii. of his *First Book*, « *Des Produits immatériels, ou des Valeurs, qui sont consommées au moment de leur production.* » He holds the same doctrine with Garnier in opposition to Smith; but complains, that Garnier has fallen into an error in this respect; that he has applied the position beyond its due limits; and by supposing many things *useful*, however

multiplied, which are hurtful when excessively augmented, improperly includes them, when so augmented, in the class of Immaterial Riches.

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## CHAPTER X.

Of Usefulness, as applied to Riches.

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THE introduction of this word, *Usefulness*, into the ingredients of Riches, has generated a vast degree of perplexity. Not only will not mere Usefulness constitute Riches; but Riches cannot be raised in the scale, among themselves, according to the degree of prevalence of this ingredient. Not only therefore is *not* Productive Labour necessarily more useful than Unproductive Labour: but Productive Labour is in many cases little useful; and in some, highly detrimental, while bringing forth what comes strictly within the definition of Riches; but such,

as may be injurious to morals, or health; or cost an undue consumption of human subsistence.

To assume, therefore, that Productiveness as applied to Riches, and Usefulness, are synonymous, or intimately allied, is to admit a conclusion, with which a thousand facts, springing up on every side, are at variance.

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## CHAPTER XI.

Of Non-Producers, employed intermediately between  
the Producer, and Consumer.

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**T**HIS is the class, whom it is the most difficult to separate from the Producer. The manual labour of some of these; the superintendance of others; the capital of others, are things, without which neither the operative producer could be supplied with subsistence till his work was done; nor find the means of disposing of it, after it was finished.

This includes Merchants, with all their establishments of Ware-houses, Clerks, etc. Persons employed in the Land and Water Transport of goods; Retailers, etc.

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## CHAPTER XII.

Of the different Classes of Intermediate Non-Producers.

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THE persons intermediately employed between the strict Producer and the Consumer, are Those who supply Capital, united with skill and superintendance:—Those, who supply merely the labour of skill and superintendance;—and Those who supply mere bodily labour.

Of these, the labour of some being applied to the material, and of others to the immaterial part, the first are separated from the Producers by a very evanescent and doubtful line;—the others by a very marked one.

## CHAPTER XIII.

Of the Consequences of a Disproportionate Increase,  
either of Agricultural, or Manufacturing Riches.

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**I**F Manufactured Production does not keep some pace with the growth of food, there will be no adequate demand for the surplus corn; no adequate improvement in the utensils of labour; no adequate stimulus for the exertion of human industry. All that can be looked to, is the feeble and uncertain resource of a Foreign Market. The barbarous and destitute state of a Country, whose artificial Riches depend on its *Exports* of Agricultural Produce, is demonstrable by all History, and all present experience.

On the contrary, if Manufactures increase beyond Agriculture, a part of the population must starve; or food must be obtained from other countries, in exchange for manufactures.



To this state of organization, powerful, and, as it seems, insuperable, objections arise.

1. The kingdom thus constituted is at the mercy of other countries for absolute existence.

2. It must be exposed in an infinitely greater degree to the deficiencies of seasons : because the country growing an article of primary necessity, will always, in cases of famine, supply itself first.

3. The monopoly will have a tendency to bring a ruinous price to the Consumer.

4. A population thus abandons an occupation, healthy, moral, orderly, simple, frugal, and temperate; for one diseased, dissolute, insubordinate, factitious, expensive, and drunken.

5. The class of landed proprietors is thus diminished, impoverished, and rendered subject to the class of mercantile capitalists; men of selfish habits, and mean, calculating, groveling principles.

6. The whole state of society thus becomes factitious, complicated, dependent on a thousand extraneous accidents, and utterly without any command over itself.

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## CHAPTER XIV.

Of the First Class of Those who live by Bodily Labour applied to Non-productive Services : Domestic Servants.

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**D**OMESTIC Servants are principally employed in services, that vanish in the very act of performance; that confer nothing exchangeable on the receiver; and take nothing from the giver, that he does not still possess in the same degree.

Great outcries have been raised against the wastefulness of consuming Riches in the support of this class. It may be at least doubted, whether there has been much sound philosophy in the extent, to which this outcry has been carried.

In early stages of society, when the abuses of this sort of expenditure are carried the farthest, it may be admitted that a large portion of the human subsistence so consumed, might much more beneficially be employed in infant manufactures, which would improve skill; polish manners, add to the conveniences and luxuries of life; encourage Agriculture, and augment Riches.

But when the Manufactures of a country are already arrived at a height, at which it is an exceedingly nice point, whether they have not actually overstepped their due proportion to Agriculture, the case is quite altered.

Whether in usefulness or in luxury, there are numerous manufactured articles that cannot compare with the services of domestic servants. It is only changing the expenditure from one kind of convenience, or gratification, to another; while even the demand for manufactures, though it is diminished by the amount

of the food consumed by these domestic servants, yet perhaps is turned to articles of more use and substance. I have said, diminished by the amount of the food thus consumed : but perhaps not entirely so, if it encourages a more wholesome and sound application of the industry of Manufacturing labour : and at the same time ceases to give a false and dangerous impulse to its increase.

How incalculable is the quantity of Manufactured articles, which are perishable, and even hurtful ! It is true, that they are the means of support to their Producers. But is this the best mode of supporting them ? Or if no other mode of supporting them can be found, is a population so augmented, desirable ?

If it be not for use, or for Riches, it is clear, that a population exceeding in manufacturers, is less healthy, less moral, and less happy, than a population exceeding in domestic servants.

## CHAPTER XV.

Of another Class of the same : Soldiers and Sailors.

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**I**F there has been an outcry against the consumption of Domestic Servants, the same outcry, on the same reasoning, has been applied still more vociferously to Soldiers and Sailors.

As far as self-defence goes, the use and necessity of the services of these classes, of what are called Non-Productive Labourers, is sufficiently apparent. But in what points we are called on for self-defence ; what are the modes of effecting it ; and what is the degree of Force requisite, are subjects on which not only Faction and Party may oppose each other ; but the ablest and most patriotic Statesmen may differ.

In various ages of politics, whether with reference to Europe, or to the rest

of the world, various amounts of strength are called for.

And notwithstanding the clamour against this sort of expenditure, the arguments used in the former chapter in favour of domestic servants, apply still more strongly to the direction of revenue in support of an Army and Navy.

A large portion of the expenditure goes to the encouragement of the most useful sorts of Manufactures : and thus, indirectly, as well as directly, to the basis of all prosperity in Manufactures, to the promotion of Agriculture itself.

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## CHAPTER XVI.

Of the Civil Servants of Government, living by  
Bodily Labour.

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**T**HE Civil Servants of Government, who live by Bodily Labour, and fill all the lower departments, are, like their Supe-

riors, as necessary for the preservation of internal economy, and external management, as the Army and Navy are for its defence. Though not Producers of Riches, they are no less indispensable for the administration and distribution of those Riches.

They are entitled to a fair remuneration of their services, according to the nature and rank of their employment.

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## CHAPTER XVII.

Of Non-Producers, who live by Intellectual Labour.

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THE Divine, the Lawyer, the Physician, the Military and Naval Commander, etc. all entitle themselves to portions of the annual income of a country, in return for advice and direction given by means of the application of their intellectual powers to their respective vocations. This produce of the Brain, thus communicable

municable and communicated, is what SAY and others denominate IMMATERIAL RICHES.

The labours of Literature are of the same class, so far as they are the productions of the Mind. When identified with matter; with paper, and type, and ink; they pass over into a different class.

The skill and labour of the Artist; the Musician; the Painter, etc. is exactly of the same sort; and liable to the same qualifications as those of Literature: when embodied by the graver, or colours, on paper, or canvas, it changes its nature, and belongs to the head of RICHES.

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## CHAPTER XVIII.

Of the Civil Servants of Government, living by Intellectual Labour.

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**T**HIS very large class, from the Prime Minister downwards, is entitled to his Salary, or Income, on precisely the same



principles, as Those of the last chapter ; in return for a due exertion of Intellectual skill and labour.

The proportion paid to each may be profuse , reasonable , or scanty : but it ought to be the second.

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## CHAPTER XIX.

Of Paupers, and the Poor Laws.

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**A**LL Riches are distributed , as of right, between those who entitle themselves to their portion by Labour , Bodily, or Intellectual ; and those who are the owners of Capital. The former classes I have already considered : the latter I reserve for a subsequent Part of this Inquiry. But there is an intermediate Class , perfectly anomalous to these principles ; yet claiming their share, *as of right also*, founded on peculiar provisions of the Statute Laws of England. These are

PAUPERS; and the Laws alluded to are well known under the name of the POOR LAWS.

It is clear, that the funds for the support of this class must betaken, either from the shares of those, who entitle themselves to them by their labour; or of those, who are the owners of Property (or Capital): or from both these classes.

Either, therefore, without having property, they have the emoluments of property; or, without having labour, they have the emoluments of labour.

The limits to the demands of the man of property, are those of his property: the limits to the labourer's demands, are those of his labour. What are the limits of the Pauper's demands? The limits to the increase of human population, even while it finds a supply of subsistence! But such limits, in fact, exist not, as long as such subsistence can be found. There is no limit, therefore, till the property of the capitalist, and the la-

bourer, is absorbed! Such is the absurdity of the principle : such is its portentous danger, when it has advanced far in its progress.

To be Consumers; and yet to be neither Producers, nor Secondary Agents to Production, is to trench, in a most alarming manner, on the stores of property; or the rewards of Labour.

I have not at this moment (in a Foreign country), the documents at hand to form a precise calculation; but, as the greatest pressure is on the Land, the Poor-rates probably take not less than a fifth of the Income, derived by the Landed Proprietor from his Land (1).

If the Poor, thus living on Rates, could be productively employed, they would diminish, to the amount of the

(1) If the Landed Rental of England be forty millions; allowing only Ten per cent. for Land-Tax and Repairs, which is far too little, at least a third must be taken from the remainder, as held on Mortgage by Personal Capitalists.

value of their Production, the expences of their Consumption. But it is contended, that they cannot be so employed : that Capital is wanting : that the markets are overloaded : that the waste land capable of growing corn is exhausted. These arguments do not, I confess, appear to me well founded. If Capital is wanting, whence comes the food, that the Poor-Rates procure? If the markets are overloaded, because men have not the means to purchase, would they be overloaded, when additional productive labour gave them the means to purchase? If the remaining waste land would, when brought into cultivation, repay the labour of tillage, can it be said to be exhausted?

But it may be admitted, that these are only palliatives : that the radical evil is still left : and that if these palliatives have a tendency to seduce us into a temporary acquiescence in the disease, the mischief will be greater than the good; because the evil will re-accumulate, faster than the remedy.

The truth also is, that labour under such forced management is never half so productive, as when under the voluntary impulse of self interest.

But in addition to these objections, and the feebleness of these palliatives, the following, among others, though not foreseen, have been proved to be the mischievous results of the Poor Laws.

1. They absolutely extinguish all the virtuous and efficient stimuli to industry.

2. They extinguish all forethought and economy.

3. They destroy the most beautiful and moral influences of parental and filial affection, by taking away the necessity of fathers and mothers labouring for a provision for their children; and of children labouring for the helpless old age of their fathers and mothers.

4. They break up domestic habits; the privacy of the family fire-side; its quiet; its controul; its freedom from the irritations of crowded and contagious society.

5. They root out the spirit of independence, from whence spring all the best moral energies; and introduce in its place, hardness, despondence, recklessness, and brutal torpor.

6. They stir up a perpetual warfare and hatred between the receivers of these public funds, and the dispensers of them: discontent, jealousy, rage, fraud, falsehood, and idleness, on one side: suspicion, insensibility, misanthropy, on the other.

7. If these funds be considered as an organized mode of dispensing Charity, (the only pretence on which the payment of such heavy sums can be plausibly put,) then it must be objected, that they are deficient in some of the most essential benefits of Charity. They are no virtue in the payer, because it is not voluntary; it is not a Gift, but a Tax. It produces no gratitude and kindness in the receiver, because he takes it *as a right*.

Such have been the effects of this System upon those, to whom it was intended as the greatest of benefits : whom it was meant to cherish, and protect : and to whom it was proposed to secure from the rich, by the force of legislative enactments, the due discharge of the virtues of kindness and assistance.

It is a striking proof of the short-sightedness of human wisdom. Setting aside its effects on property, which, in the long run, if suffered to proceed at its present rate, it must inevitably swallow up; setting aside the mischief of its removal of the only effectual check, that can prevent the tendency of population to augment beyond the means of subsistence; it is a System pre-eminently calculated to loosen all the moral ties; damp and destroy all the moral energies; and annihilate all the moral happiness of those, for whose exclusive good it was framed.

But, as if these mischiefs were not sufficient, another has been grafted upon

them; not indeed even intended to benefit the Poor; and in effect exceedingly injurious: while those, for whom the advantage has been intended, have been neither entitled to it, nor have gained much by it.

I allude to a supply of a portion of wages from the Poor-Rates. Farmers, and large Occupiers, and large Manufacturers, have encouraged this, because it has a tendency to draw part of the payment of the Wages of their Workmen from those, who keep no Workmen.

It was admitted on the part of those who had authority, from the supposition, that the causes of the rise of wages were only temporary; and that this mode might prevent their permanent continuance at the new point.

In every view it was wrong. If it arose from depreciation of currency, Wages ought to have risen in proportion, so long as the depreciation should last. If it arose from scarcity of corn, this would aggra-



vate the scarcity. If it sprung from an intention to disguise the burdensome effects of the war-expenditure, it had the immediate contrary consequence; and direct taxation would have been far less onerous.

As far as concerned the Labourer, it was a most gross and demoralizing injustice. The Labourer is entitled to the value of his labour, as *a right*; and not as a boon. He is made a dependent, soliciting charity, with all its degrading results, when he is *entitled by virtuous industry* to that which he asks.

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But these Poor Laws have now for more than two centuries intertwined themselves in a very complicated manner with the whole body of the English laws and institutions. It is demonstrable, that they cannot be separated at once : it is not clear, that they can ever be utterly eradicated. In the mean time, extreme caution is necessary, in every step to be

taken. Profound knowledge, deep sagacity, extensive experience, must all concur in whatever is proposed for adoption. Temporary alleviations, and particular amendments may be reasonably suggested; and on mature consideration be enacted.

Many of their provisions are mischievously or uselessly vexatious. The Law of Settlements, in particular, I have always considered to be cruel, impolitic, and burdensome. I did my endeavour, when in Parliament, to effect an amelioration of some of its worst features; and I am happy to see a similar attempt still pursued by more powerful legislators; while my own disappointment is softened by the proof that, even with the countenance of Government, the difficulties are such, as cannot easily be surmounted.

The truth is, that the Body of the Poor Laws is, for the most part, a Body of conflicting particulars, without a connecting principle. Its Enactments have continually been passed, to correct par-

tial evils, and give partial advantages. The objects of the proposers have not been immediately detected; and the bad results of the proposals not immediately foreseen. When once carried, the very mischief renders it difficult, if not impossible, to get the Act undone. It becomes the interest of some powerful Body, to preserve the abuse.

Blackstone has remarked, that the Law of Settlements has put every separate parish in arms against all others, that it may guard its own exemptions, and throw the burden of the Poor elsewhere, without the smallest regard to the public alleviation. And thus it is, when a measure on this subject is agitated in Parliament: it is a mere contest of Particular Interests. The general good is not the principle, on which it is discussed; nor the view, with which it is endeavoured to be carried.

In treating this most important topic, I have rather touched, as it were by mere recognition, on the different points, than dwelt copiously on them. They have in the last three years been so largely and ably discussed, that I have merely thought it necessary to allude to them in this way, as already familiar to the reader who pursues this class of inquiries. The able and patient discussions of the Committee of the House of Commons on the Poor Laws, which sat during the whole Session of 1817; and their well-matured Report, has, above all, enlightened and convinced the Public Mind, on this most perplexing and long-misunderstood Branch of Legislation. I think it was not less than fifty successive sittings in this Session, that I attended this Committee, of which I was a member. I have given here the impression, that remains upon me, of all the lights thus gathered (1).

(1) Numerous Pamphlets were then published on the subject: all, or most of which, if of any character,

## CHAPTER XX.

On the Employment of the Poor.

IT may be observed, that some of the Employed Poor *contribute* towards their own support, though they do not *entirely supply* it. Others, and perhaps the major part, though constantly set to work, scarcely produce more than enough to pay the expences of Management.

I read. In a foreign country, I have none of them to refer to : and of many, I have forgot even the names. The Pamphlets of Lord Sheffield ; T. P. Courtenay M. P. Mr. Davison of Oxford ; and Mr. Bicheno, were among the most prominent.

But Mr. Malthus had already fully explained the erroneous principle, in his immortal Work, *On Population* ; and the late Rev. Joseph Townsend, the author of the *Travels in Spain*, had many years earlier written a singularly able and eloquent Pamphlet, anticipating the same views.

Sir Fred. Eden's Three Quarto Volumes ON THE POOR, contain a complete collection of facts and documents, on this large and grave department of Political Economy.

Many are able, and willing to furnish labour, adequate to their own support, if they could find employment. The difficulty in this respect is *always* greatly exaggerated, and *almost always* caused by the absurd, impolitic, and cruel Law of Settlements, which confines men to spots, where work is not to be had. If the laws forbid a man to go where he might get employment, they are bound in common justice to procure employment for him.

But this is a point that involves many difficulties. The very circumstance of the individual being unable to obtain work in his parish, is a proof, that it is a spot, where labour cannot be as beneficially employed, as in many other places. What would be unproductive to the individual stimulated by personal interest, will be far more unproductive under the management of a public concern.

But still the question here is, not between the *most* and the *least* productive

application of labour ; but between production and *non*-production. When this question was long and industriously argued in the Poor-Committee, I could not perceive the force of the reasonings against the facility or policy of employing the able-bodied Poor, as long as the Law put on the Public the obligation of supporting them. I cannot even yet *comprehend* it!

It was said, there was a want of Capital. This is to me utterly unintelligible ; as long as a Capital exists, to furnish these unemployed Poor with subsistence. It was said, that « the markets were already overstocked, both with Agricultural and Manufactured produce. Why add to the glut?» But why were they overstocked? For want of demanders, And why were demanders wanting? Because they had not *wherewith* to give in exchange. Let the unemployed Poor grow the corn they consume, and the manufactures they require, in their due proportions! It will  
be

be said, that this either diminishes the demanders in the market, or increases the supply to that amount. True. But it releases the same quantity to be retained by the payers of the Poor-Rates, who would thus be enabled to be new demanders to an equal amount (1).

That a period may arrive, when all the land in England, which can *beneficially* repay tillage, may have been already taken into cultivation, I will not dispute. That that period has not yet arrived; and does not even approximate to its completion, I must yet strongly contend.

It seemed to me as if among the objections, (felt, rather than clearly expressed,) to the employment of the Poor

(1) This is the view I took of the Question at that time, as appears more at large by my Pamphlet, entitled : « *ARGUMENTS in favour of the practicability of relieving the able-bodied Poor, by finding Employment for them; and of the Beneficial Consequences of such Employment, both to the Morals of the Poor, and the National Riches.* » Lond. Longman, 1817, pp. 53.



on waste lands, was the fear to hasten the over-stepping these limits : a most extraordinary fear ; surely very fanciful : and not even liable to the evils, such as they are, that may arise from the cultivation of unfertile soils. The principal of these evils is the increased price of corn : but in this case the augmented supply would counteract such an effect. On the other hand, it might have a tendency to lower the price of corn ; but yet not injuriously to the farmer, because the cost of production is lessened at least as much as the price of corn is reduced, by the exoneration from an equivalent in Poor Rates.

The mischiefs of the idleness of those Poor, who are subsisted at the public expence, are so numerous, glaring, and complicated, that the comparatively petty difficulties, or comparatively trifling unfavourable consequences, of employing them, astonish me, when urged against the employment.

Public establishments may be not easy to be managed : the public application of labour may not be the most economical. But these difficulties are softened, if not overcome, in other cases.

It is hinted, that all these expedients tend to reconcile us to the system ; which had better appear in all its ugliness, that it may be the sooner extirpated. Whatever, (it is urged,) helps forward this system from its present height, may accelerate its progress to the point, where it will explode with the most ruinous violence.

All this would be wise, if this large branch of our political institutions could at once be cut off, and eradicated to the very roots. But there exists not the person hardy enough to assert, that this is practicable.

To endure, therefore, on this account, the full tide of grievous mischiefs, that might be greatly alleviated, seems but a rash and ill-poised sort of wisdom.

The admission of the error of the principle of these laws need not at all be weakened by the adoption of an intermediate remedy, even though final excision be the only perfect cure.

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## CHAPTER XXI.

Of the Consequences of extending the Provisions of the Poor Rates beyond the Old and Impotent Poor.

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IT has been said, that the Poor Laws were originally intended only as a provision for such of the Poor, as Age, Sickness, Bodily Defect, or Orphan Infancy, rendered incapable of gaining their subsistence by labour. So far the principle of a legal arrangement for support can scarcely be opposed. But even here the provisions require great caution, skill, and experience. Above all, the obligation on the ties of blood ought not to be lessened.

The Statute, 43 Eliz. however, which is called the foundation of the Poor-Laws, goes much farther. It provides, that the parish officers shall set to work the Idle, and those, who cannot find employment: and shall raise funds of stock and materials, for them to be employed upon, etc.

For more than a century and a half, it does not appear that this provision of the Act was carried to any excessive or inconvenient extent. It was at the commencement of the War with Revolutionary France, in 1793, that it came into full play, in all its abuses, and inconsiderate extensions.

It was no doubt meant as a correction to idleness and vagrancy; and to secure industrious habits to children, who had lost their parents; or whose parents were dissolute or neglectful. Nothing could have been less in the contemplation of the Framers of this Law, than that it was to make good deficient wages, find work for every able-bodied parishioner, who

asked for it, and secure the recompense of a day's labour to a man equally, whether he did a day's work, or half a day's, or a quarter of a day's.

At the commencement of this War, every thing was in motion; and almost every thing heaved from its basis. Corn rose; prices rose; occupations were forced into new channels; manufactures were convulsed before they resumed their activity in new directions; men were called to the Army, Navy, and Militia; and their wives and children were left upon the parish. Wages, of course, did not instantly follow closely the start in the price of corn. Meantime, the unlucky habit of making all easy by resorting to the Poor Rates sprung up, and spread. It pleased the Farmers, on whom so much of the payment fell, in preference to the augmentation of Wages; because they persuaded themselves that they should thus draw in others to pay for them part of the hire of their Labourers. Perhaps

it might please the political adherents of Government, in the hope that it might disguise, under another name, part of the burden of Taxation.

But the most candid view of the whole subject is this : that in the multitude of conflicting circumstances of this extraordinary crisis, the tide of human affairs rolled things without design or forethought into those courses, of which scarcely any, if any, at first saw the dangerous consequences, which the coolness of philosophical investigation, aided by experience, now proves to be the necessary results of them.

The incredibly absurd idea of keeping down the price of our manufactures, by thus keeping down the price of Wages, to secure the Foreign vent of those manufactures, (which would be giving a bonus to the Foreign purchaser, at the expence of our Poor Rates,) was certainly a favourite recommendation of this system, with many, especially with the

Manufacturer for the Foreign Market, who, like all other merchants, sees National Interest in Individual Profit.

The inconveniences and mischiefs of the plan soon became so many and so complex, that it is difficult to state them distinctly; either separately, or in combination.

Scarcely any poor man could any longer live independent of the parish rate: and therefore the shame of resorting to it soon utterly ceased. He received with suspicion, murmurs, hatred, and curses, what *he* deemed to be *less* than his *right*: while the overseer called it a *charity*, *more* than he *deserved*! He worked as little as, by any evasion, he could contrive; and demanded by cunning, falsehood, or fraud, as much as the just reward of the hardest labour could amount to. In the Bad, hardihood, and thoughtless disregard of all but a mere sensual existence, grew still more inveterate. In the Doubtful, and even in the Good, despondence

took place of moral energy : they were degraded, and became heartless.

Half the time of the managers of the parish, and of the adjoining magistrates was employed in this warfare between demand, and resistance. Monthly Meetings would no longer suffice : Weekly ones became necessary : and half the days were consumed at the ale-house. Magistrates and Parish-officers striving to allay the wants and discontents, above stairs! Mobs, in irritated concert, or jealous suspicion, confabulating, or listening, below!

While such were the expences, which a pauper family entailed on a parish, it became the interest of parishes to fight with each other every inch of ground. First came stratagems, and intrigues : then resorts to magistrates for Orders of Removal : then wretched families in age, or sickness, or helpless infancy, torn from their habitual homes, and Carted in broad disgrace, even at the most inclement



seasons, (yet without regard to the parish purse,) from one end of the kingdom to the other. Then an Appeal, at a vast cost, to the Quarter Sessions : and lastly, perhaps, a Reversal of the Order, and a Carting back again in the same way!

The imperfections in the Settlement-Laws were now more glaringly felt. Every Session of Parliament produced some attempt to amend them. Scarcely any succeeded. The only material amelioration was, to prohibit the Removal, till the Pauper should become actually chargeable.

In truth, the Law of Settlement, as it has stood since the reign of Charles II. has been radically, and *ab initio*, most imperfect. A proper Settlement is, where there has been sufficient permanence of abode, to prove the intention of *stationariness*. The old laws, at any rate, gave a Settlement, by a residence of one, two, or three years. The Act of Charles II. made it very much shorter still, if unre-

moved within the time. But it was so badly contrived, that qualifications and counteractions to it soon became necessary. It had better far have been framed anew : for it soon became in this way only a law of doubtful inference from conflicting guards. In fact, the very preamble of this Act of K. Charles is neither very consistent with this subject, nor with its own provisions. It is more strictly applicable to a mere Vagrant Law : and might have been better followed by the proper corrections for VAGRANCY.

But in the present construction of the Statute of Q. Elizabeth, by which the provisions are extended to the finding employment for every able-bodied parishioner, and guaranteeing to him the due amount of wages, or hire, for his labour, it certainly would be unjust to give him too much facility to throw the burden where he chooses.

But, unfortunately, the Laws do not take away this facility in many cases,

where it ought not to exist; while they make the acquirement of a Settlement, not only difficult, but almost impossible, in cases, where it ought to be given. For instance, forty *days*' residence in a *Lodging* of five *Shillings* a week will give a Settlement; while forty *years*' residence as a housekeeper, in a *Cottage* of nine *Pounds* a year, will *not* give one. Again, the accumulating the hiring of a number of small tenements in different parishes, to the amount, when added together, of ten pounds a year, will give a Settlement in such of those parishes, as the pauper has resided in for the last forty days. And what, in the construction of the Law, is included within this word, *Tenement*? A patch of growing potatoes! part of the milking of a cow! the cutting of a stripe of green clover! a few square feet of cabbage garden! etc. etc. of each of which, separately, the rent may not exceed half-a-crown a year! What is the professed principle of this Law? To

prevent the improper intrusion of strangers! Does this prevent it? It refuses the right to the industrious villager, of forty years abode in the parish. It confers it on the wandering journeyman mechanic, of forty days' abode, who takes advantage of a momentary high price of wages, by an accidental excess of demand for labour! Similar anomalies and inconsistencies occur in every part of the Law of Settlement.

Formerly, when, according to the organization of the due proportion between labour and wages, the mode and fashion of putting the provisions of the Poor Laws into execution, and the accordant habits and opinions of the labouring population, a relief from the parochial funds was not contemplated, except in cases of great misfortune, extreme poverty, helpless Age, or destitute Infancy; neither the Poor, nor the Parishes were equally nice; nor equally liable to unjust attraction, or unjust repression. It was then a mark upon a man to be a *Pauper*. The

word, if applicable any longer, has lost its degrading sense; because the parish pay may be only a part of his *duly-earned* wages.

But the effects of this, the more we think of them, appear more and more decidedly pregnant with ruin. We cannot wonder, if from this confusion, there has grown up among the poor an universal conviction, that the Poor Rates are *their property*; and that they have a *right* to employ and full pay: or, at any rate, to full pay, whether there be employ, or not! As far as the adequate amount of wages is made up from the Rates, it is true. A *due* recompense for work done is a labourer's *right*; his *property*! Can we therefore be astonished, that, if out of the Parochial Fund comes that which is really the property of this class, they assert and believe the *whole* Fund to be their property? There is no part, therefore, of the existing practice, which more cries out for amendment, than this!

The belief, on the part of the Poor, that they are *entitled* to full support, does certainly lead, as Malthus has so ably shewn, to a rapid increase of the Population, beyond the means of subsistence. As long as our Poor Laws, in their present application, are in force, no food, it is true, will be wanting, till the Rich are brought down to a level with the Poor; and the whole stock is *equally* shared. But at the present rate of progression, this epoch is not very far distant. From the moment of that arrival, the whole fabric of political society would fall together; if it could have lasted so long: but, in fact, it would be dissolved long before: for it is not in the nature of things that it can exist at all, except in unequal proportions.

Nothing less than strict and absolute self-dependence can be an adequate check to the undue increase of Population. While mankind think that others must, and will, provide for them, they will

marry without means; they will spend without thought; they will be idle without compunction, and beyond the reach of being stimulated to due work.

It is privation; the pressure of famine; the impossibility of gaining a due return for the full exertion of bodily strength, that can teach the only convincing and operative lesson.

SISMONDI, in his *New Principles of Political Economy*, controverts these doctrines. He denies this rapid tendency to increase, as long as food can be provided: and he instances this from the families of the higher ranks; who, he says, do not increase, though they cannot be suspected of dreading a want of subsistence. He names the *Montmorenci's*, who, he says, at Malthus's rate of progression, would be sixteen millions. (This, by the bye, is a strange miscalculation: the *Male Montmorenci's*, the only ones who would bear the name, would not be sixteen thousand!)

But

But the instance, instead of disproving Malthus's doctrine, confirms it. The check, probably, was the very one, which Malthus contends to be alone effective. The fear of a want of subsistence; the fear of inadequate support; at least without the unendurable disgrace of descending to the lowest ranks! In countries, where property descends according to primogeniture, is it not notorious that a large proportion of younger brothers, when ill-provided for, live single?

Sismondi insists on the comparative fertility of nature, in the increase of vegetable and animal food. But he omits, that this sort of increase can only take place, under favourable circumstances, with the aid of human labour and care!

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THE necessity of some check to the resort to parochial support, has long been generally felt. But the sort of checks, that have been in fashion, appear to me grie-



vously objectionable. Hundred-houses, or Buildings for the reception of the Poor of several united parishes, have been defended and justified on account of their very hardships, because those hardships have a tendency to repel the Poor from entry into them : in the same way as the sufferings and cruelties of Removals have been considered, for this very reason, beneficial !

If a system is so bad, as to require such fundamental counteractions, is it not insane to continue it? But how do those counteractions operate? On the Good, who would only apply under absolute necessity, and who therefore are in least want of a check! The heartless, immoral, ferocious idler cares not for his family fireside; the privacy of domestic affection; or the frank and uncontrolled prattle and caresses of his children! He likes the congregated mass of putrid society, where his daring raillery may find food; and his dominion over the weaker tempers and

consciences of his fellow-creatures may allow him to lord it with impunity. What is the worth of the offered boon, of which the condition is the forfeiture of moral independence, and the blight of all those moral sensibilities, that raise us in the scale of Beings? Does not the Law thus say : « Keep your virtue, and starve :— or take food, and be demoralized ! »

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## C H A P T E R XXII.

Miscellaneous Observations on the Poor Laws;

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**T**HE precarious nature of Charity would have seemed to justify some legal regulations in the distribution of its favours. And it would be going much too far, to conclude, from the experience of the erroneous principles of our Poor Laws, that there ought to be no legal interference with the objects of Charity.

It is true, that, as far as the virtue of the Giver is concerned, the act must be voluntary : and this point is, if I recollect, the main purpose of Mr. Biecheno's pamphlet : nor is it less true, that the Receiver should only be able to acquire the gift, *as a gift*; and consequently, on terms that render him humble, grateful, and dependent.

It is the very precariousness of the reliance on this source, that, where there is no other provision, renders it necessary for the Poor Man to do his utmost for his own subsistence. We have learned by the infallible testimony of practice, that too anxious legislative arrangement on this subject augments, and even originates, the evil it has been intended to cure.

The best thing, that Government can do, is, by unperceived, rather than by legislative interference, to direct labour into productive channels; to encourage useful and profitable employment; to

study the natural capabilities of the nation ; and if the time should arrive, when they are approaching too near the limits of those capabilities, to seek out the means and places of emigration and colonization.

In other countries besides England, (as Scotland and Holland,) some legal provision for the Poor has been made. But the fatal excess of the principle, and still more of putting it into execution, has never been adopted. Where there is no such provision, there may seem to be more temptation to violence, robbery, and brigandage. But this supposes, that, in such a case, the Poor have not the power to obtain food and clothing, in return for work : and where this occurs, the country can still less supply food without labour : and therefore have not the means to supply a Poor Fund.

How work can be wanting, so long as such of the heaths and commons are left untilled, as remain uncultivated rather from want of division and inclosure, than

from sterility of soil; or as long as great public undertakings, like Canals, might yet be profitably designed and executed, is incomprehensible to me. There are indeed difficulties attending the due application of this work to the Poor, fixed to the limits of particular parishes, and paid by the separate funds of those parishes. But difficulties attend every part of this subject; and surely these are difficulties, that are not insurmountable.

In every possible case, the relief meted out ought to be according to the quantity of labour performed. And surely this is extendible to innumerable matters, in which it is now neglected. It would be a strong corrective to the idleness of those, who live on the Poor Rates.

It has been said, that to encourage a population with the prospect of no other subsistence, than the most raw and bare food, like that of the *Potatoe-Population* of Ireland, is miserable and dangerous policy. It may be so. But I cannot see

that the plan of carrying Agricultural cultivation a little farther than it has yet been carried, has much similarity to that of this decried population. If land will not repay in its produce, not only the food consumed by the labourer in the tillage, but the purchase, and wear and tear, of the husbandry utensils, clothing, and other necessary conveniences according to the labourer's station, it will not justify the cultivation, But I contend, that immense tracts of this kind yet remain neglected in England.

When Mr. Pitt undertook to legislate on the Poor Laws, he entirely failed, great as his talents were. It is clear, that his drift was the extension of those very principles, whence all the evil springs. He had in view a bonus to the increase of population. But he did not reflect, that a population is only good, according to the facility of supporting it, in a state of health, and good morals. Mere numbers, ill-fed and ill-mannered, are weak-

ness : an unmanageable crowd , ripe only in disease and mischief. A Minister of State has , in truth , so many calls upon his time and his attention , that it would have required super-human powers to have digested such a subject , and have penetrated into the real nature and consequences of it , at a time , when neither the theory was understood by others , nor the facts had so far developed themselves , as to shew the real tendency of the system. A Minister must have a profound , comprehensive , accurate , and ready judgement , to be exercised on the data hourly presented to him ; and he ought to have a clear and commanding elocution ; a faculty of luminous reasoning ; and a felicity of illustration , to present and explain such of them to Parliament as come within its controul. But it is beyond his range , to do that , which must be the result of solitary reflexion ; of long and calm leisure ; and that individual and original exercise of thinking , that belongs to the closet ,

and the walks of retirement. It would be quite out of place to attempt to analyse or appreciate here the brilliant qualities, mental or moral, of Mr. Pitt. It may be admitted, that his eloquence sometimes surpassed his matter. He came too young into the supreme seat of Power, to have furnished himself with the fullness of all those stores requisite to nourish and crown the highest wisdom of a Statesman: he had not even had time to mature and ripen, what he had acquired. But, added to his vast gifts of nature, to the rapidity and expanse of his perceptions, to the dexterity of his use of them, to the transparency, rotundity, and fervor of his language, was his noble and disinterested ambition; his energy; his self-confidence; and his courage.

He judged ill in taking on himself the subject of the Poor Laws. It was out of the tracks of his mind. He had too much else to do: and it would have been better



for him to have given it rather his support, than his origination.

Mr. Whitbread afterwards laboured on this great subject, with more enlightened views, and more particular opportunities of study and knowledge. He displayed great talent; great industry; enlarged, and altogether, just principles; and acute and deep capacity for legislation. But he also was unsuccessful. After the discussions, which the last three years have produced, a reference to the Debates of that epoch will shew, that much yet remained to be brought into notice; and that the symptoms and results of the disease had not yet been thoroughly sifted.

Mr. Whitbread strove to ameliorate the Law of *Settlements*, that disastrous feature of the system, of which the removal ought to take place among the first. He struggled in vain: and every subsequent attempt has been equally defeated. The recommendation of the Committee has been useless. It has, even with the

countenance of Government, failed in the last Session of the last, and the first of the present Parliament (1). This arises from the predominance of the Manufacturing Interest, over the Agricultural. As the Law now stands, the Manufacturing Labourers are, in great part, drawn from the country parishes; their strength is exhausted; the profits of their labour are acquired; disease is superinduced; and in age, imbecillity, and impotence, they are thrown back to be supported by the parishes from which they came. This is a bonus given in favour of Manufactures which they will forego no exertions nor intrigues to retain : while the supineness of the Agricultural classes in support of their own interest is proverbial.

There is, in certain cases, it cannot be denied, a very great impediment in the way of amendment. Where a Manufactory is built in a small parish, the

(1) In 1813 and 1819.

workmen of that Manufactory, if they could easily procure a settlement, by a short residence, might soon bring a burden on that parish, which would annihilate its property. As far as full wages will go, every Manufacturer ought to support his own Poor. If the Law imposes a burden beyond this : if it says, you shall support them and their children in future want, whether from idleness, or loss of employment, or sickness, or accident, or old age, it imposes conditions too hazardous to admit any one to employ manufacturing workmen.

When the late Mr. Gilbert of Staffordshire occupied so many years of his Parliamentary life in legislating for the establishment of Poor Houses for Incorporated Parishes, he seems to have had a very narrow insight into Political or Moral Economy. Two reasons only seem to present themselves for this unlucky plan : saving of expence ; and a check to unnecessary demand for relief. The ex-

pection of the first of these effects, is, I believe, quite erroneous : of the other I have already spoken : it is no check, where it ought to be a check ; and, where it checks, checks most unjustly, injuriously, and cruelly. Any thing so madly and stupidly contrary to all the virtues of society, as these Houses generate, never before came into the heads of the most perverse legal institutors ! The mere cost of the buildings probably turns the question of expenditure far on the side of loss : then come the leakings of management, peculation, and waste. And as to Government, either Despotism, or Neglect and Anarchy, almost universally preside over them. Then will the objects of this provision be content with the same supplies, as in their own cottages, at their own expence ? If they refrain, who is the gainer ? If they waste, who is the loser ? But suppose it was a gain of pounds, shillings, and pence ; is it a mere question of pounds, shillings, and pence, when

it regards the character, and happiness, and strength, of the largest portion of the community? Mechanical-headed persons are exceedingly fond of this measure : there is something of hard arrangement, and petty arithmetic, and interference, and mastery, and dominion, and forcing of all humours into one mould, which pleases little minds, and gratifies their self-consequence !

How much mankind will endure for liberty, for privacy, for the mastery of their own amusements and thoughts, is well known to the deep and enlightened moralist. But in a common society, where all characters and connexions are mixed, where the controul and authority of family affection or interest is gone, where the most audacious and hardest character takes the lead, and sets the example, *there* the mere desires of sensual existence grow every day more predominant, and embrate the better parts of our nature. How many, that would be good

in solitude, are bad, because they cannot resist the contagion of example : because they have not the firmness to abide the raillery, by which Vice always makes a large portion of its proselytes. Within the lone walls of the cottage, in which the family circle are sheltered from prying observance, the gentle virtues of humble industry, self-denial, attachment, parental and filial scruples, bloom in secret, safe from the blight of sneering scorn, or noisy blasphemy. To have designed and brought into use the system of Poor Houses, was to have sought out a seed-plot, as it were, of every weed and poison of the human heart.

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UNFORTUNATELY, while the Poor Laws are supposed to afford a provision of a new and unnatural kind, they, in a great number of cases, exclude the provision that industry would otherwise carve out for itself. Employers are necessitated to

select their own parishioners, though less fit for their work than others, who would else offer themselves. The man habituated to thresh in a barn is sent into the woods; and the woodman is shut up in a barn.

Among the evils, is the difficulty and complexity of the machinery, by which it too generally happens that the relief is advanced. This difficulty and complexity does not deter the needy from making the demand: but it wastes his time; it irritates his temper; it tries his patience; it makes him murmur, and despair. To be buffeted about from parish officer to parish officer; to run over the country from one house to another, in search of Magistrates, while children are crying at home for bread; to be mingled, when honest and laborious, in the suspicions created by lying, hypocritical, and reckless Idleness; to be taunted, and doubted, and unjustly, and reproached! how can it leave the wretch good, if it  
finds

finds him so? Must he not tear every emotion of virtuous manliness from his heart, before he can reconcile himself to this state of endurance?

Yet neither magistrates, nor, in general, even parish officers are to blame! The former, and, for the most part, the latter, lean too much to the side of indulgence. But the system so inevitably tends to abuse; it so powerfully encourages fraud and deceit in the dissolute; that the utmost exercise of caution is insufficient to guard against abuses of demand. It follows, that, from the very essence of the institution, the deserving are involved in the suspicions caused by the undeserving. Grievous state of things, that will not let the hard and painful labourer enjoy the reward of the sweat of his own brow, but at the price of so many degradations and obstacles!

In these observations, I may be deemed to have gone beyond the subject that I have proposed; and to have entered on



some of the topics, that rather belong to a general Treatise on the Poor Laws. But I trust it will be found that my arguments and remarks have a strict reference to Riches, or to Population; or rather to both, operating either together or in contrast.

But there is one short Chapter, which I must still add, before I quit this part of my subject.

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## CHAPTER, XXIII.

Of Poor Laws, confined to the Old and Impotent.

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**A** LEGAL provision for the Old and Impotent, if made with caution, and due checks, is founded on principles not exposed to the objections, that have hitherto been insisted on.

When the power of self-support is removed by the hand of Nature, when labour becomes an impossibility, a pro-

vision from the funds of Charity is not only honourable to the moral character of a nation, but a matter of urgent policy. In the lower ranks, it can scarcely be expected, that the majority should be able to have saved sufficient for the support of their old age : nor can children, who have themselves large families, do much, if any thing, for the support of their helpless parents. But still the call upon children, wherever they have, or ought to have, the means, should not be abandoned.

In the arrangement of these funds of relief, due regard should be had to the mode in which they are distributed, and the conditions attached to them. Wherever it is possible, the support ought to be given at their own homes; and in the bosom of their own families.

Orphan children, whose impotence of self-support arises from their infancy, are within the range of most of these observations.

Not work-houses, but perhaps public schools may in such cases be necessary. But to withdraw the children of the living from their parents, when they are more numerous than themselves can support, is a much more doubtful question. To support children at all by public funds, who exceed the number which the parents' labour can subsist, is admitted to tend rapidly to an undue increase of population. But this evil has now so long gone on, that it is universally acknowledged to be impossible to put an end to it at once. In the mean time, in what manner is the relief to be applied? The arguments are plausible, if not strong, on both sides.

It is urged, that the relief afforded to the parents on this account, at home, is improperly expended : and that the certainty of the child, for whom it was intended, having the use of it, is a paramount reason in its favour : and that, moreover, the benefits of education and

order speak for themselves; while the objection founded on supposed domestic estrangement would equally apply to all public education, even among the Rich, with whom it has never been made a reason for foregoing it.

On the other hand, it is said, that Public Establishments for the support of superabundant children are an open and glaring declaration of a bonus for excess of population, at the very moment that the nation is affecting to legislate on principles directly the reverse : that they are also in defiance of the admitted ill policy of that part of the existing laws, which tends to loosen and dissolve all the ties of domestic affection and privacy : and that they either trench on the freedom of domestic opinions and habits of education; or breed confusion and perplexity not to be surmounted!

On the whole, I confess that I lean, and always have leaned, to the latter of these opinions.

As to the misuse, which the parents may make of the relief granted, the inspection and controul of the parish officers might materially alleviate that objection.

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## CHAPTER XXIV.

Of Persons living on Property, or Capital.

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I HAVE now gone through those, whose livelihood depends on labour, Productive, and Non-Productive, Bodily, or Intellectual : and also through the anomalous Class, whose subsistence is derived from the Poor-Rates. Two Divisions only remain : Those, who live on Capital, (or Property,) Real, or Personal : and the Possessors of State-Revenue.

I have next to treat the first of these Divisions, which will of course require several subdivisions, inasmuch as it comprehends matter of very distinct

essences, in various respects : and differs widely in its durability, its productiveness, and the natural or artificial agency, by which it is created.

In what various ways the title to these various kinds of property is acquired, the developement of the various ingredients by which they are distinguished will most easily and clearly involve. It is demonstrable, that exclusive property in land must always have existed in cultivated countries, from the time of their cultivation; or the cultivation could not have taken place. No one will cultivate for the common benefit of all who choose to share the produce with him. Priority of occupation, conquests, grants, services, will all have given legitimate titles.

Personal capital is the surplus accumulation of the labour of a man, or of his ancestors.

So far is it from being true, that this Class are drones in society, that, without them, neither the ornaments, nor the

elevation of society could exist. It is the moral firmness, the exemption from the leanings of individual pressure, the well-employed leisure afforded by independence, that polish, enlighten, grace, and ameliorate human manners. Where else could be found the encouragements and rewards of intellectual pre-eminence? Without it, (to borrow Mr. Ricardo's expressions, as applied by him to the Poor Laws,) « wealth and power would be changed into misery and weakness: the exertions of labour would be called away from every object except that of providing mere subsistence; all intellectual distinction would be confounded; and the mind would be continually busied in supplying the body's wants, until at last all classes would be infected with the plague of universal poverty (1). »

The true interest of the Capitalist, and the Labourer, Bodily or Intellectual, is the same. The former cannot long

(1) Principles of Political Economy, p. 114.



continue to flourish and augment at the expence of the others.

What are the most beneficial proportions of the distribution of Capital, is a nice question. But the supposed mischiefs of a distribution of a part of it into large masses are always exaggerated, and in general utterly unfounded. In many cases it is the necessary consequence of its existence : it must exist in that way, or not at all.

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## CHAPTER XXV.

Of Capital.

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**C**APITAL is either LANDED, which, with its incidents attached to it and inseparable in use from it, the Law of England calls REAL Property : or PERSONAL, which consists of a degree of accumulation of things of any of the numerous other commodities included under the definition of RICHES.



The *first* of these kinds is, with the exception of its incidents, **INDESTRUCTIBLE**.

The *second*, together with all that is a mere incident of the first, is **DESTRUCTIBLE**.

But this last divides itself into several *degrees of destructibility*: as,

Capital capable of *permanent durability*, but destructible at will; as Castles, Churches, Bridges, etc.

Capable of *some durability*; but subject to decay with any length of time.

Capital also is either *Productive*; as not only land, but all animal and vegetable property: or *Barren*; viz. incapable of increase by the mere agency of nature.

Capital is also *Fixed*: or *Circulating*; viz. surrendered up to nature, for the purposes of reproduction.

It may also be distinguished into *Natural*, and *Artificial*: and this last may be either by the operation of human

labour on the raw material, taken singly; or by giving it a new form, by means of combination with something extraneous to it.

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## CHAPTER XXVI.

Of Capital in Land.

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**L**AND is a Capital, which possesses all the most valuable characteristics of Capital : indestructibility; productiveness; the agency of nature.

It is the primary source of National Riches; and it continues to increase in value at least as fast as they increase; and in the last stages, as some persons pretend to argue, still faster.

But, though it derives its first and most intrinsic value from Nature; Art, and Personal Capital derived from the accumulation of the labours of Art, in every highly cultivated and highly civi-

lized country, have very greatly augmented this value. Buildings, inclosures, drains, manures, grubbing, weeding, the pulverization of the soil by the plough and the harrow, have all contributed to ameliorate, in a manifold degree, its state and condition.

We have already seen that all the former Classes, Labourers, Productive and Unproductive, Agricultural and Manufacturing, have derived their income, directly or indirectly, from this source.



## CHAPTER XXVII.

Of Rent.



**R**ENT is the surplus annual produce of land, after deducting the expences of cultivation, including in this last the recompense to the farmer for the labour, skill, and capital employed by him.

But the quantum of this surplus depends upon the market *price* of this produce. And it has already been shewn, (in chap. vii. ON PRICE, p. 21,) that, as « *Price* is the cost of producing the commodity under the least favourable circumstances of those to which it is necessary to have resort, for the purpose of producing the quantity in demand; » so « the Price of Corn is the amount of that expenditure in labour and capital, which is indispensable in *the least fertile of the soils*, that are required to be brought into cultivation, to supply the subsistence adequate to the calls of the market. »

Such is the source of RENT, as it applies to the landlord's share of all land, except of the least fertile of those which are cultivated. But this last must pay *some* Rent . though small, as an interest for the Capital which it constitutes. And this rent of the poorest lands must necessarily form an ingredient in *Price*.

It is then the *surplus* Rent, after deducting from it so much as is equal to the amount of Rent of the poorest soils, to which the definition at the commencement of this Chapter is strictly applicable.

The reason why corn and other agricultural produce must bear the price of growing it in the *poorest soils*, is sufficiently obvious. There cannot be two prices for corn of the same quality at the same time. The buyer will pay no regard to what a grower may assure him a particular load of corn cost in growing it, if he can have another load of the same quality for less money, which may have cost less in the growth. But if the former grower in less auspicious land cannot have a price equivalent to his cost of growth, he will of course cease to cultivate. The consumer therefore *must* pay according to the *price* of the *worst soil* necessary to be tilled, to meet the demand.

But it is notorious that the *difference* in the expence of the cultivation of the *best* and the *worst* is exceedingly great. The cost of the latter is often double, and triple; the produce not a third, or a fourth; while the quality of what is grown is so far inferior, as on that account to fetch in the market a third less. The ploughing, harrowing, manuring, weeding, wear and tear; all the most expensive parts of husbandry, are, in particular in these *poor* soils, most inconceivably augmented.

The surplus, therefore, above cost, is, in the best lands, very great. The question with the inconsiderate public seems to have been, to whom it ought to belong?

It cannot belong to the consumer. If the consumer took it in reduction of price, the poor lands would be thrown out of cultivation. It must therefore fall either to the Farmer, or the Landowner.

In point of fact, wherever there is a rise in the price of corn, etc. during a lease, it does for that term fall to the Farmer.

But the Farmer's share in it does not, as I suspect, end here. The amount of this surplus is never very nicely calculated by landlords : and no inconsiderable portion still, on new lettings, is left in the hands of the cultivator.

Wherever this cultivator uses these gains in augmenting the energy and labour of his tillage, when he expends the capital thus acquired in the land from which he draws it, it is well. When he wastes it, as he too often does, in coarse gratifications, tasteless show, or sensual intemperance, these abstractions from the rights of another class have not the same apology.

In the hands of the Landlord this augmented surplus feeds the demands in the market for that sort of manufactured produce, which perhaps is most propi-  
tious



tious to the artificial Riches of a Nation : for the embellishments of life ; for whatever improves its elegance ; for its efforts of genius ; its paintings , prints , buildings , furniture ; for whatever elevates us in the scale of intellectual refinement , and generous splendor.

But there are other yet more important points of view , in which the rich Landed Proprietors form the most beneficial class of Capitalists to a great nation. They are thus nearly and intimately connected not only with the grand springs , but almost all the considerable ramifications of the National prosperity. The income they draw from the Land in the shape of Rent , though nominally fixed and unvarying , during the leases they grant , yet in fact is liable to numerous draw-backs , affected by the good or ill state of public affairs. They have large classes of people immediately , or mediately , dependent on them : they are themselves the receivers but of a small



part of the income of the soil, which is their property : farmers, labourers, mechanics, artificers, manufacturers, live also upon it. Then comes the Steward, the Surveyor, the Law-Agent, etc. etc.

This incessant connection of interest with so many people, in such various walks, keeps alive the incessant regard to the political well-being of all. It exercises and improves the moral capacities of the understanding; calls forth into practice the moral judgment; and nurtures a body of legislators and magistrates, the most adapted to the happiness and permanence of a wise and well-regulated Government.

In England, more than in any other kingdom, the man of large landed property, living chiefly in the country among his tenants, has followed the custom of ages, and is not yet extinguished. Too much indeed has been done of late years to drive him from this mode of life. The Window Tax and other Assessed Taxes,

in particular, have operated lamentably to this end.

A Body of intelligent men, connected most closely and feelingly with most of the essential interests of Political Economy, provincial and even national, having the influence of wealth, as well as of birth and education, have a tendency to keep in order, satisfy, and render contented and happy, a peasantry, beyond any other system of political organization.

Let any one examine candidly the state of a parish where some rich and overgrown Farmer has taken the place of an ancient and respectable family of Country Gentlemen, whom he remembers in the same situation. The character of all the lower classes there, and perhaps for miles round, will have been deteriorated by the change.

I must not anticipate in this place the remarks that may arise from the consideration of the owners of Personal Capital. But for the sake of the contrast,

It may be permitted here to hint, that the income, in general, derived from this last, does not involve in it the same moral and political good. It is for the most part fixed, as dividends of the Funds, or interests from Private Securities. It is not therefore immediately intertwined with collateral prosperity; and still less possesses any dominion over the happiness of others.

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## CHAPTER XXVIII.

Of the General Increase of Prices, concurrent with  
the Rise of Rents.

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**I**F the price of corn imply an additional quantity of labour in producing it; which is the case in proportion as poorer soils are taken into cultivation, the article of every manufacturer must cost more, *cæteris paribus*, because his subsistence, while producing it, costs more. But this

is not caused by the rise of rent : the rise of rent, and of these other articles, flows from a common cause : the necessity of resort to these poorer soils, to raise the supply equal to the demand.

The evils of this rise have been deemed, by popular opinion, and even by some ingenious political economists, so great, as to induce a clamour against the extension of our domestic agriculture, and a tendency to recommend a reliance on foreign corn.

They, who entertain such conclusions, do not admit much favour for augmented rents, even if they consider them only as concomitants, or symptoms, of these augmented prices. But in their ill humour they choose, sometimes wilfully, and not in perfect good faith, to confound cause and effect, and to represent the rise of rents to be the first of the two.

The augmentation of prices is, in truth, in some respects an evil : but the evil is, sometimes by design, and some-

times by ignorance or stupidity, greatly exaggerated. All the producers, and traffickers in articles of exchange raise their prices accordingly. The persons of fixed incomes, reserved in money, alone suffer. I am far from saying, that these are not a large class : nor do I deny, that this extent of evil is very much to be regretted. Nor is the evil, as far as affects the vent of our manufactures in foreign countries, a slight one ; though I shall hereafter endeavour to shew that this last may be in some measure counteracted.

But the real and plain case is, that this, like a thousand other political questions, is a question of balances ! Are the evils insisted on, equal to the evils of a reliance on the supply of Foreign Corn ; and of a neglect of Domestic Agriculture ? To which side the reasonings on this question seem to me to tend, has been already anticipated in Chap. xiii. (p. 57, 58.)

## CHAPTER XXIX.

How far an Augmentation of RENTS is attended by a  
Diminution of PROFITS.

IF the adoption of the measures, which cause the *augmentation* of Rents, should be proved to effect the *fall* of Profits, they may yet be necessary, even when attended by such consequences. And the reasons hinted at in the last page, and more particularly expressed in p. 58, speak strongly in favour of this necessity.

If it be true, that whatever increases the price of labour decreases Profits, it follows that the rise of rent, which is the concomitant of an extension of tillage to poorer soils, is attended by a diminution of Profits, in all cases, where the same quantity of labour is required; because such extended tillage necessarily increases the price of labour.

But still, if my definition be right, the grand source of Profit remains : the difference in the cost of produce between the most favoured and the least favoured manufacturer. The causes of inequality appear to me to remain unlessened. The variation in dexterity ; the difference in the powers of machinery, skill, capital, local conveniences, partial command of natural agency, etc. are not altered by an augmentation in the wages of labour.

But it does not follow, that the same quantity of labour will be required in manufactures, as wages rise. Machinery, science, skill, and capital may materially *abridge* this quantity. They may thus not only counteract the diminution of Profits ; but *increase* the inequality whence they mainly spring. In such a case, the augmentation of wages may itself actually tend to increase Profits, just as the augmentation of labour applied to the soil increases rents ; because the demand for workmen at these augmented wages may



be only partial. The facilities of producing the same quantity and quality of manufactured goods from the same quantity of labour, may differ; as of corn from land. These may arise from the causes already suggested; partly natural, and partly artificial: situation, fuel, roads, canals, machinery. The quantity of these facilities is, in some degree, limited, as the quantity of fertile land is limited. Suppose the demand in the market to exceed the quantity which can enjoy such facility in the production, a resort must be had to such produce, as will cost more labour. The price of the whole will be according to the price of that proportion, which costs most: and hence come Profits; as from the less cost of corn, in more fertile lands, comes Rent.

If then, when Rents increase, Profits diminish, why is it?

Because, while the principle on which Rents increase is in full force, the prin-



ciple on which Profits increase is not merely quiescent, but counteracted and diminished. Take advantage of the superiority of the Intellectual power exerted in machinery, and Profits will augment; as Rents augment from the superiority of the Vegetative power in the best over the worst soils.

It seems therefore to be an invidious and unjust insinuation, that Rents increase at the expence of Profits.

If it were so, it would not be so for the purpose of favouring Rents; but because the amount of the population requiring a resort to the poorer soils, to supply a sufficiency of subsistence, would bring with it this necessary concomitant, which, if an evil, must be endured for the sake of the paramount good.

It would appear, however, as if the jealousy with which the prosperity of the landed interest was viewed, would grudge, and almost refuse the measures which necessity requires for an adequate production

of food, if the land-owner's addition to his Riches should happen to result from them !

A Book has been written with considerable ability, within these two or three years, (a Book of considerable success and celebrity;) of which I fancy I discover this to be the main drift. Hitherto it had been supposed, that the prosperity of Agriculture, the increased value of land, and the additions made by labour and skill to the produce of the earth, had been accompanied by a proportionate prosperity in all the other industrious classes of a Country. This author attempts to shew the direct contrary : to prove, that if prices of all other commodities rise at the same time, they are merely nominal : and that all, which the landlord gains, is so much taken from these others.

It would be so, as I have admitted, if the analogous principle were not in equal activity in both : and if the instruments

by which this principle acts, could not diminish the quantity of labour in demand faster than the price of it rises. But why take only part of a case? Why suppress these latter counteractions? Why argue upon half the facts, even though upon that the argument be just?

Suppose for a moment, that Rents should thus rise at the expence of Profits; a great part of them would, in their mode of expenditure, soon come back again to fertilize land, feed manufactures, and to accumulate capital applicable to the most productive purposes. What then will be the effect of this surplus, if it should not in the first instance be an abstraction of Profits?

It is assumed that those, who are occupied in employing capital for Profit, as intermediate or secondary Producers, are those in whose hands Riches are most beneficially left to accumulate. This assumption seems to be admitted too widely and with too little qualification.

What is spent by these classes in luxury, and personal consumption, and not with a view to re-production, is at least not better spent than by the great land-owner. In many political and moral respects, it is certainly worse spent.

But these Profits need not be lost but by man's own supineness. He is now called on to task his faculties, and economize his strength. Providence perhaps ordered it thus, as a necessary stimulus upon his ingenuity; decreeing, that when in an advanced state of society, old modes of production should become easy, new efforts of thought and toil should still be requisite to afford due means of subsistence.

What art and science may yet devise as substitutes for part of the service of the human hand, is beyond our present guess. The operation and extensive use of the Steam Engine, which is generally known, is of very late date.

## CHAPTER XXX.

Farther Observations on the Consequences of the  
Concurrence mentioned in the late Chapter.

**I**N the last Chapter I have endeavoured to shew : 1. That a general rise of prices is not caused by the rise of Rents, but a concurrent effect of a cause common to both. 2. That the first of these two effects does not necessarily, and in all cases, accompany the other. 3. That, where it is counteracted, it may bring into play the very principle, that *increases* Profits. 4. That in no case it can strictly and justly be said, that Rents augment at the expence of Profits, because the loss of Profits follows from the supineness of not calling the analogous principle into operation. 5. That not only this altered distribution of Riches might thus be prevented; but when it does take place, its

evils are much exaggerated, if not altogether fanciful.

Let us dwell a moment longer on this last position. It is said, that, while the *Landed Capitalist* is enriched, the *Monied Capitalist* is deteriorated.

And what is the consequence?

The *Landed Capitalist* in this case would return a large part of his gains upon the earth. He would apply them productively, by improving his farm-buildings, draining, fencing, lending money to his tenants, etc.

Admit the *Monied Capitalist* to apply his gains to Trade, or Manufacture; still, whatever value there may be in the prosperity of these, it cannot be *more* important than those of Agriculture.

But there is one large class of *Monied Proprietors*, on whose account, though the greatest clamours are made about it, the evils of this deterioration are insisted on with little comparative soundness of reason. I refer to the large *Stockholder*. He,

at least, spends little in *re-productive* channels.

Nor can he have a right to complain of these consequences on account of the loss they bring on him, if they are justified by State-policy. They are contingent evils involved in the very nature of the security he has chosen; and the condition on which he receives a higher, more certain, and more punctually-paid interest, than his capital, if vested in land, would have paid him.

A fluctuation in the value of property is expatiated on, as an evil of frightful magnitude.

But is land exempt from this? Can any property ever be exempt from it? It is an immutable evil, inherent in human affairs.

The good is certain, and important, in the impetus given to Agricultural improvement, the basis of Riches; and the surest mode of benefiting manufactures; and finding both a market, a capital, and

an advance of skill in machinery, by which last the addition to the price of labour may be more than counterbalanced in the labour saved.

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## CHAPTER XXXI.

On the Corn-Laws.

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IT has been my endeavour to shew that the evils of a high price of Corn have been either imaginary, or grossly overstated.

I am now to argue, that, on the other hand, the benefits of the proposed remedy have been equally overstated, while its serious evils have been kept out of sight.

The proposed remedy is a free importation of Corn of Foreign growth. The principle on which such a measure is supported, is this : that it is for the mutual benefit of all countries, that every



commodity should be produced in the country, where the production costs least labour. It is not only laid down as the principle of the source of Riches; but taken, as if that principle was liable to no exceptions.

It is said, that if England be a country not supplying sufficient land adapted to grow the due quantity of corn at an economical rate, it is the soundest and best policy to procure the deficiency from cheaper and more fertile countries, by exchange for manufactures, to which its labour may be more beneficially applied!

In this case, a large portion of the labourers in husbandry would become manufacturers; and as their subsistence would cost them less, the manufactured article would be sold at a proportionally lower price.

The *landed* rental of the nation would indeed, be thus diminished, not only to the amount of the labour abstracted from Agriculture, but to the amount of the

depreciation of the rents of the lands still remaining in cultivation : but another class of proprietors would acquire riches more than equal to those, which these land-owners would otherwise derive from the earth.

The nation, as they argue, would thus augment, instead of diminishing, its wealth, while prices would be kept down, and the Foreign vent of our Home manufactures not endangered. The princely Merchant would rise over the fallen glory of the princely Land-holder; and instead of a Duke of Devonshire, a Duke of Bedford, a Duke of Northumberland, we should have a great Ship-owner, a great Corn-factor, a great Clothier, a great Spinner, etc. etc. Could not these support the same splendor; purchase the same luxuries; keep the same domestics; build the same palaces? Riches are Riches : what gives the most, is the best!

If these be not their arguments, I know not what are!

But I must venture to assert, that this; however triumphantly urged, is a very narrow view of the question! It takes seriously the ironical axiom of Horace :

« . . . . . Quærenda *Pecunia* primum est :  
« *Virtus* post nummos. »

It assumes that it matters not how the mass of a population is employed, so as it is most effectually employed in making money! Health, morals, subordination, peacefulness, happiness, are put of the consideration.

Of all classes of population, Manufacturers lead a life the most unwholesome, the most dissolute, the most turbulent, and the most thoughtless. The misery, the beggary, the disease, the disaffection, which reigns among them, whenever they become very numerous, is indescribable!

On the other hand, they who are employed in tilling the earth, by passing their days for the most part in the open

air, by inhaling the freshness of the upturned soil, by the more natural exercise of all the muscles of the body; by the dispersion of their work over extended surfaces, by which the frightful contagion of the conflict of congregated masses is avoided; by the separation of their dwellings; and by the simplicity, though perhaps, hardness, of their food, form a population more sound, more vigorous, more virtuous, more sane in body, less corrupted in mind and heart; of manners, which, if rude, are neither offensive nor dangerous; of political submission, such as have scarcely ever been so roused as to disturb the quiet of a government; and if ever, only as the ignorant instruments of the factious poison of Town-Mobs.

It is true, that the fields and woods have not been found practically to encourage all the pure and simple virtues, that poetical theory is fond of imagining. In the peasant who digs the earth and

fell the tree, we too often find a brutal insensibility, that moves among the scenes of nature, untouched by its fragrance, its harmonies, and the softness and contentedness of the lessons, which it inculcates. But this only proves the imperfection of our Being : it shews, that Knowledge is still wanting to take advantage of the blessings among which we are placed, and that our *fallen* scale of existence requires us to work out our well-being, and obtain the advantage of the enjoyments among which we are placed, by a painful labour of the head, and discipline of the heart.

The Agricultural population then, are, it may be admitted, not in all respects, such in morals and conduct as we would wish them to be. Never will Human Nature, under any political system, be such as the fond refinement of Speculation aspires to !

But the reader must recollect that it is here set in comparison with an over-

grown *Manufacturing* population. If the relative superiority of the *Agricultural* population be denied, all the principles of bodily, moral, and political happiness must be changed. Is enjoyment consistent with a diseased body, inhaling putridity in a close and squalid room? Is content consistent with repining self-sufficiency, exasperated by hourly harangues of blind, intriguing, rash, infuriated Faction? Is rectitude of conduct, domestic affection, unassailable patriotism, consistent with a mind thus prepared; spending half the week in degrading debauch, and the other half in grinding, despondent, and embittered poverty? When a country is called on to put forth its physical strength, to defend itself from Foreign aggression, and to support its glory, what is the strength to be derived from such a population? Can the body thus enfeebled and diseased stand climates and campaigns? Can a mind thus misled and poisoned feel the spirit of heroism?

The superiority in political effects is not confined to these traits, though these alone are surely important enough to leave no doubt in any sound judgment. The due dispersion of the people over the whole surface of the nation; and the consequent dispersion of its wealth, are very beneficial. The salubrity of the air, always improved in proportion as wastes are cultivated, woods broken, and marshes drained, is not a slight good.

But the healthier and happier character of the occupation of the Agricultural labourers does not end with themselves. It extends itself to the Manufacturers. It occupies them in those kinds of handicraft, which are least liable to the objections already stated. A large portion of the mechanics of utensils applied to husbandry partake of the Agricultural cast: such as the village carpenter, the village blacksmith, etc.

Then, as to the owners of the soil thus proposed to be abandoned to nature,



the supporters of the Manufacturing system will of course contend that no ill substitution for this class of proprietors takes place by the augmentation of Mercantile Capitalists, whose added Riches would fill the vacuum.

It appears to me in a very different light. It is far from being of trifling consequence, by whom, and how the money is spent; and from what sources it comes. The merchant, it will be said, spends his wealth as liberally as the country-gentleman, and does as much good with it. To make comparisons between different classes is rather an invidious task. But the essence of my subject requires that I should be frank on this occasion.

The British Merchant is very often a well-informed, well-educated man, who lives with taste, cultivates the arts and sciences, possesses the powers of conversation, and knows the world.

The Country-gentleman is not unfrequently a man, who has not nourished



and ripened the seeds of his early education; of narrow habits; stagnated in the faculties of imagination, and the nicer emotions of the heart; rude in his language; and inexpert in the power of argument. The quiet of his fields and the loneliness of his amusements lulls the native energies of his mind into torpor; and at the same time invests him in an uninviting exterior.

But, if the Merchant's qualities are plausible, *His* are sterling. Beneath this outside, which would not always make us choose him for a companion, there generally resides probity, firmness, patriotism, a sound judgment in all provincial affairs, a sincere regard for the interests of the Poor; thoughts and conduct independent, and free from the sway and dominion of individual interests; arguments, if not wielded with dexterity, yet consistent, sincere, and not used as the momentary instruments of views veering with private purposes.

In Parliament, the County Members, and other Country-Gentlemen, have not indeed been in common the most eloquent; but whoever has conversed privately with them; whoever has watched their conduct in Committees, on most of the questions of domestic legislature, must have observed that they are temperate, patient, and unwarped; and that the results at which they arrive are generally just, and sometimes profound.

It is no fault of the mercantile man, that the whole processes and exercises of his mind are formed in a different manner. It is the inevitable consequence of his daily occupations. The Manufacturer is a Producer; but the Merchant, the trafficker in barter, is one, whose gains, for the most part, increase at the expence of the loss of others. It is scarcely possible, therefore, that he should be free from the habit of partial and individual views. His mind adopts a practice of applying all his ingenuity to effecting these

purposes ; and he always talks and thinks rather after the manner of an advocate than of a judge.

That the grand source of Riches of a nation should be rather in the hands of this class of men, than of ancient Nobles, and Country-Gentlemen, inheriting principles of independence; brought up from the cradle to steady opinions; having the truth for their object; and formed in a sphere out of the reach of the bias of selfish leanings; may seem at least a matter of indifference, if not of choice, to those who are so fondly enamoured of the all-sufficiency of commerce and manufactures!—But I conceive that the sound and undazzled philosopher will not see it in the same light. Riches are not the only *desiderata* of national happiness : the sources and nature of those Riches, and the character of the dispensers of them, are scarcely less important.

It is probable then, that Mr. Ricardo's argument may be correct, that corn

grown in the more propitious soil of foreign countries may be, (*in common seasons,*) obtained in England by the payment of a less quantity of human labour expended in the fabrication of manufactured articles by our domestic population; and that the vacuum of the *Rent* lost to the Land-Proprietors may be supplied by the proportionally augmented quantity of *Profits* to the Manufacturer, and Merchant.

But it is not the *Rent* of the landlord only, that the tillage of the home soil supplies. The landlord does not draw more than a fourth, a fifth, or a sixth of the gross produce. We will admit then, that the other large part of the population, whose livelihood is derived from the other three, four, or five parts of this gross produce, might also, on being withdrawn from these occupations, find employment and subsistence in manufactures.

« Well then, » say these Anti-Agriculturists, « the question is decided. You

admit the saving of labour; and you consequently admit the augmentation of Riches, by a resort to Foreign Corn! » I admit both; at least for argument's sake; but I do not therefore admit, that the question is decided. The reader will have anticipated that I deem still more important considerations to remain behind.

If additional Riches are to be acquired at the expence of not only increasing the Manufacturing population, but of almost entirely *substituting* it for the Agricultural, what is the value of the gain? Disease for health; insubordination and disaffection for quiet and content; alternate luxurious indulgence and starvation for equable sufficiency!

If there be a man insane enough to think wealth purchased on these conditions worth having, I, for one, must adjudge him unfit to be reasoned with!

What is the end of Riches? Moral and Political health, strength, and happiness.

But perhaps it will be urged, that I assume too much, by assuming, in the case supposed, a substitution of Manufacturers for the *major part* of the Agricultural population : inasmuch as it may be said, that this substitution will only affect those employed in the husbandry of the poorest of the soils now in cultivation ; and, in prospect, those also, who might be employed in still poorer.

If the evil were to end here, they who would think it light, must partake of the insanity I have pronounced. There are many heavy disadvantages from a Manufacturing population, when it becomes very large, even though it should not exceed the due proportion to the Agricultural : but so far the good is paramount to the evil. Every step beyond it accumulates the evil beyond the good at a rapid and frightful rate.

Probably it may be answered, that I have exaggerated the consequences of this line of policy : that all the land pro-

per for cultivation might still be left in tillage ; and that the resort to corn of Foreign growth might only take place in lieu of the supply now drawn, or proposed hereafter to be drawn, from sterile soils.

I must reply by arguments already anticipated : but which cannot be too often repeated.

1. The first consequence of this policy is a deadly blow to the prosperity, the hope, the stimulus, the augmenting wealth, of the home cultivator of such land, as it is here assumed may still remain in tillage. Capital and enterprize will desert it. It will be impoverished and starved ; and then, when it ceases to make the same returns, it must, from the very principle adopted, fall out of cultivation.

2. As part of the cheapness of Foreign Corn arises from lighter taxation in the country, where it is grown, any saving to that extent is only nominal to the importing nation, as home taxation must  
fall

fall so much heavier elsewhere. It is only therefore shifting the burden from the Manufacturing Capitalist to the Consumer.

3. The class of Landed Capitalists would be depressed, enfeebled, and many of them ruined.

4. The country would be dependent on Foreign nations for subsistence, which would put it at the mercy of their hostility: and highly aggravate the deprivations of seasons of scarcity, beyond the effects of such seasons in cases of home growth.

5. It would augment a population characterized by turbulence, immorality, improvidence, and ill health, out of all proportion to the more sober, healthy, and vigorous class, the Agriculturists; whose equality of number is necessary to counterbalance them.



If these arguments be as incontrovertible as they appear to me to be, the necessity of the *Protecting Duties* enacted by the *Corn-Laws* is proved. The Home Grower must of course cease to till his land, where he cannot have a remunerating price for his produce. Even where the soil is equally fertile, it is impossible, in a country taxed as England is, to grow corn as cheap as in many other countries. If therefore cheapness is the criterion of choice, all domestic Agriculture must first languish, and then soon die.

Admitting, then, the evils of a high price of corn to be as great as Manufacturing and Mercantile clamourers represent them to be, the question is, whether the evils of a free or feebly-prohibited Importation are not *tenfold* greater?

The history of the world, perhaps, cannot exhibit an empire at all like Great Britain, in many essential features of its domestic political economy. Its Debt and consequent Taxation have risen to a

magnitude, of which it was almost universally predicted, scarcely forty years ago, that one fourth the size would crush it. From whatever causes this may have arisen, whether necessary, or unnecessary; whatever may be its final results; it must now be borne, or we must sink. But let us reflect how its mischiefs must be augmented, if it brings with it the necessity of abandoning the tillage of our own lands.

In truth, the complex benefits derivable from Agriculture are so paramount, that they will justify the purchase, or rather retention of them, at almost any price. To over-state this price, therefore, will not avail these advocates of the Importation of Foreign Corn. Let it be as great as it will, the destructive consequences of the proposed remedy must more than overbalance it.

On the one hand is the inconvenience of high prices, which is no further a national loss, than as it relates to the

produce of the lands of inferior quality : On the other hand the consequence is a demoralized , unhealthy , insubordinate population , for which the most augmented and inexhaustible riches can make no amends : and a precarious reliance on the bounty of Foreigners in the time of need , which must always endanger , if it should not destroy , a Nation's independence.

Such an increase of people , as may produce a resort to the least unfavourable of these alternatives , may perhaps be the subject of regret. It is not asserted that no ill effects may arise from a great augmentation of prices , though I am strongly persuaded that they are exceedingly misunderstood , and grossly magnified.

But it is clear , that if these ill effects are considerable , they have in themselves many counterpoises. Industry is thus employed in its most natural direction : with added industry comes added skill , which spreads itself to the improve-

ment of the more fertile soils : wealth, by being thus drawn more equally over the whole surface of a country, circulates more healthily; and gives vigour to the whole frame of the Body Politic, instead of boiling and overrunning in partial and confined spots. Labour is thus applied to more permanent and more solid production.

It is not improbable, that this course may have yet more beneficial concomitants : such as I have forborne to insist on, because many will deem them fanciful. It seems to me, that to place no value, or rather price, on the produce of the earth, beyond its cost in human labour, is, if strictly taken, to assume too narrow a principle. I believe that something is always given for the agency of nature : and something, which on the large scale of thousands of acres may not inconsiderably affect the National Riches. This gain is entirely abandoned by a country, as far as it leaves land uncultivated, that would pay for cultivation :

and to this extent does it deliver over the emolument to the Foreign Nations from which it imports.

This branch of legislation is, it is true, exposed to some difficulties in its enforcement. It requires firmness, profundity of views, and a due elevation above the *arbitrium popularis auræ*. « Bread cheap » are catch words, to which the accusation of being hostile, draws upon a public man the odium of the mob in a manner which often deprives him of his public functions. Factionous and interested demagogues know well what use to make of this accusation; and the misled multitude suffer themselves to be the dupes of these clamours. Several of the Members of the last Parliament lost their seats in the present, from the rigid and courageous performance of their duty on this grand question. It cannot be expected that the lower classes should have the talent, the intelligence, or the leisure to understand this deep and complex subject. When

the manufacturer cries out for cheap corn, he does not mean that his wages should be lessened : he means that bread should be cheap, and labour dear : that the produce of agriculture should be diminished in price ; but that the price of the manufactured produce should continue the same ! He thinks prohibitions fair and even necessary, to protect the home produce of manufacture ; where, in truth, the application of the principle of prohibition is erroneous and harmful : but he thinks it frightfully criminal to protect the home produce of agriculture, where it is necessary for its very existence.

The multitude is to be pitied in this case : they have but imperfect means of knowing better. But how deep and unspeakable is the baseness and profligacy of those wretches, who knowingly thus mislead them for their own private and selfish ends !

Mr. Ricardo's argument is, I believe, correct as far as it goes : it is probab y

true, that increase of wages, or price, in all secondary articles following upon increase of labour, or price, in the production of food, is not an entire recompense for the first increase. But he keeps out of sight the alternative of a too rapidly increasing population : the unproportionate increase of the manufacturing classes; the evil results of that increase; and the mischiefs of a large quantity of land thrown out of tillage!

Nothing seems to me more unfair than thus stating half a question, which is true in itself, but not true when joined to its necessary concomitants. He argues, as if it were a mere question of pounds, shillings, and pence!

The evil of this diminished power of money may be admitted. But in this case it is the inevitable effect of the state of circumstances at which a nation has arrived : inevitable, unless it be kept off at the expence of evils a thousand-fold greater! Mr. Ricardo tells us how, by



the import of Foreign Corn, we may avoid it : but he puts a thick veil over the collateral consequences of that import!

I have hitherto given full credit to the alledged facility of procuring Foreign Corn at a cheaper rate, because the main strength of my argument is not impugned by this admission. But the truth of this allegation may fairly be doubted. As soon as Foreign Countries should find out that the supply from them had become necessary to our existence, can it be questioned, that they would greatly raise their prices, even admitting that their produce should increase equal to the increased demand? But is it certain, that they would have the means of increasing it equal to the increased demand?

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ON the whole, the arguments seem greatly to preponderate in favour of Agriculture, as the most certain, the



most solid, the most healthy, and the most efficacious means of augmenting our National Riches. That a great augmentation is called for by the increase of our population, and the increase of our debt, no one will deny. Increase, or Ruin is the alternative. Such a debt without augmenting means can never be long borne!

According to the theory of price at present admitted, and laid down in the former Part of this Treatise, the additions to wealth derivable from the foreign vent of our manufactures, can arise solely from *Profits*. It must be observed that the additions from the augmented produce of Home Agriculture include not only Profits, but all the *Costs*; because the subsistence consumed by the labourer while cultivating the soil is so much national gain. The *augmented* Riches therefore derivable from this species of exportation cannot exceed those of Domestic Husbandry, till they more than surpass the amount of these *Costs* added to the

Profits of Agriculture. But it seems to me, at best, very doubtful, whether a result, amounting to such excess, is possible!

We boast of England as having carried Agriculture to its limits : But we can scarcely traverse a county, where we do not behold large extents of Waste; such as France in its whole length from Calais to the Jura does not exhibit a single instance of.

I doubt, if there be one of these Wastes that would not pay for cultivation. With food of home growth insufficient for the people; with thousands of unemployed labourers; is it possible that this can be sound policy?

But it has been the misfortune of England to have been always too much under the influence of the mercantile Classes. This has been more especially the case, since the establishment of the Public Funds, and the practice of Loans. Government has been beset and misled by their representations; and Parliament

has been too much under the effect of their persuasions or intrigues.

Mr Pitt, with a grand and domineering intellect, yet through his whole administration bent too much to this predominance. The native energies of his comprehensive and luminous talents; the soaring and unassailable boldness of his ambition, bore him forward in a career of over-awing glory : his master-mind, that pervaded every part of Administration, gave an unity and force to the system, from which resulted paramount success. But in many particulars his views were surely imperfect and erroneous : he fell into many partial snares and minor difficulties. His mighty spirit, indeed, broke through them all : the firmness and vigor of his movements was never shaken, or delayed ; and the force and steadiness of his progress surmounted mistakes, interruptions, and obstacles !

Yet it must be frankly owned that the ill consequences of some of his measures

remain upon succeeding times, after he himself had enjoyed all the advantages of their temporary expediency.

The undue preference that he shewed on almost all occasions to the Commercial Classes over the Landed, is yet felt in its effects. I presume to think that this arose from a superficial insight into political organization. No Class, it is true, has a right to pre-eminence for the sake of its own partial good. Such must flow from a state of things, that, in conformity with the destinies of Providence, is best for the mutual happiness of all. Mr. Pitt probably deemed, that on this principle, the first place was due to the Commercial and Manufacturing orders, as the most productive and the most useful. I have assigned my reasons for judging otherwise; and the reader has them before him, to appreciate as they deserve.

Unless a Ministry be found bold enough to protect domestic Agriculture, I predict that Great Britain cannot long survive

the difficulties of finance and augmenting population, that it has to encounter.

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## CHAPTER XXXII.

Of Personal Capital.

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**P**ERSONAL Property consists of every thing coming under the denomination of Riches, except Land; and such of its incidents as come under the legal denomination of *Realties* : and *Personal Capital* is an accumulation of one or more of these various kinds of material commodities. (*See Chapter xxv. p. 122.*)

The possessor of any property of this description either enjoys the prolonged use of it himself; or lends it on condition of receiving a certain fixed annual portion of it, or its value, in payment for the transfer of the use of it. This annual portion is known under the name of *Interest* : and in England and

many other countries is, in conformity with the example of the ancients, limited to a fixed maximum : excessive demands being branded with the name of Usury.

It matters not whether these commodities, thus amounting in quantity to a Capital, are of a quickly-perishable nature ; for in that case they are converted into the more durable form of money : and are always so converted, before they are lent at interest.

Persons living on the interest of this Personal Capital, form the second class of Persons of independence, living solely on Property, mentioned in Chapt. i p. 3.

The quantum of this interest is various according to the various conditions, on which the Capital is transferred. When the Capital is resumable, it is less : when the Capital is absolutely parted with and abandoned, and the interest to be paid is not in perpetuity, but terminable either at a period fixed, or at a close of a certain life or certain lives named, which

interest is well-known under the denomination of ANNUITY, it is much greater.

But as it is clear that the Borrower of a Capital has occasion to expend it, when borrowed, either unproductively or productively, the lender in common caution must require a due security for the annual payments for which he stipulates; and also, where it is not an Annuity, for a return of the Principal, when called on.

The Securities, which the nature of Riches has called into practice, are 1. Conditional Assignments of I and, called Mortgages. 2. When money is lent to the State, Assignments of interest, payable out of the State-Revenue; or rather an Assignment of transferable nominal Capital, carrying interest, inscribed on the Registers of the Public Funds: so that it is rather a purchase from Government, than a loan to it. 3. Personal Obligation; where no specific property is assigned; but the whole depends  
on

on the responsibility of the borrower, and of any other, or others, who may be bound with him.

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## CHAPTER XXXIII.

Of Personal Property, lent on Mortgage of Land.

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**I**T cannot be questioned, that the Security of Land is more solid than any other. Wherever the clear Rent at the time of the loan is more than adequate to the amount of the Interest of the Sum lent, a subsequent fall of Rent, or failure of Tenants, can only endanger the punctual payment of that Interest. There have been times unquestionably, when these contingencies have taken place. But upon a great scale, and where the place and condition of the security has been chosen with common prudence, they have been very infrequent. In short, this



can only generally happen, when there is an universal decline of national prosperity, so that it is no more than a common ill. It is true, that for a time the dividends of the Public Funds may continue to be paid without defalcation: but they cannot long survive the national declension, that causes the fall of Rents.

There are other inconveniences, compared with the Public Funds, to which loans on Mortgage are exposed. The Principal is not always resumable at the moment it is wanted. In times of war, for instance, money is scarce; and scarcely to be obtained on mortgage: if the mortgagee then demands payment of his debt, the mortgager can with difficulty obtain the money elsewhere, to enable him to perform his engagement: nor in many cases can he sell, unless at a ruinous loss. He seeks therefore the delay, which the protection of Courts of Equity can give him. But against this inconvenience must be set that, which

would occur if his property should be vested in the Public Funds. He might in that case, it is true, turn his capital into money in a few hours : but at what a diminution of its amount ! If he had bought into the 3 per cent. consols, in 1792, he must have paid for every 100l. stock, from 92l. to 97l. If he had occasion to sell it out in 1797, each 100l. would only have sold for 47l. !

I have assumed the title of the mortgaged lands to be good. There have been occasions on which they have turned out to be otherwise : but this is so rare, where ordinary prudence and skill are used, that it hardly merits to be taken into the account.

The proprietors of Land are subject to great deductions from the clear produce of their property in the heavy expences of management ; in the outgoings for repairs ; in the discussion of titles ; in the costs of conveyances and leases ; in the unproportionate share thrown on them

of the burdens of the Poor Rates. None of these fall on the Mortgagee. He has all the solidity without any of the counterbalances. Two advantages, indeed, possessed by the Landed Proprietor, he does not command. He has neither the benefit of the rise of Rents; nor of the territorial power.

It is commonly reported to have been said by the celebrated Lord Mansfield, that « Property in Land is Capital without Income : Property in the Funds, is Income without Capital : that Property in Mortgages, is both Capital and Income. »

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## CHAPTER XXXIV.

Of Personal Property, vested in the Public Funds:

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**M**ONEY lent to the State on terms settled with the contractors at the time of each separate loan, according to the circumstances of the country, and the propor-

tion between the demand and supply, is secured in perpetual annuities to the lenders, their successors, or assigns, payable out of the Public Revenue. The Capital cannot be reclaimed from the State : but the State has the option of redeeming the annuity by repayment of the principal at par : viz. at the nominal debt inscribed in the books for each loan, whatever may be the actual sum in money received by the State for that loan.

The conveniences of this mode of investing money at interest are numerous : the punctuality of payment ; the trifling costs of receipt and management ; the clearness of title ; the facility of transfer ; the instantaneous command of the principal ; are all advantages, which, in numerous circumstances, and among numerous classes of society, cannot be equalled.

But there are also disadvantages, at which these unreasonable aspirers after a monopoly of good, the holders of this

property, are exceedingly angry. Their dividends do not vary with the variation in the value of money : they are fixed. The value of money has been in a progressive state of deterioration for centuries : it has greatly declined since the establishment of the Public Funds, in the reign of K. William, 130 years ago : so that the dividend of a thousand pounds stock, purchased in those days, will now command far less commodities than it would then command. But this is not peculiar to money vested in the Funds : it is incident to all Monied Capital, and its interest : to other sorts of Monied Capital, where there are not the same advantages to counterbalance it.

The variation in the quantum of Capital, which does not take place where money is lent on condition of repayment of the Capital when required, (except when *Stock* is lent; and then it follows the nature of *Stock*,) arises from its quality of irredeemability from the bor-

rower; so that its reconvertibility into Capital depends upon a sale in the market, and is consequently liable to the fluctuating price of that market.

This is sometimes a serious inconvenience; and may occasionally lead to the verge of ruin. Engagements entered into by a large Stock-Proprietor when the Stocks are very high, may, when those Stocks are reduced one third, or nearly one half, as happened during the late war, render the performance of those engagements under the latter circumstances, nearly impossible; or at any rate fatal to prosperity, and comfort.

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## CHAPTER XXXV.

Of Money, or Capital, lent on the security of  
Pledged Goods.

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**I**N my First Chapter, p. 3, I have not been sufficiently precise in noticing this sort of security.

In a commercial country, short loans are probably made to a very great extent on the pledge of specific goods, where mere Personal Security is not satisfactory.

Among the lower classes, this is done, in small sums, by the well-known trade of *Pawn-Brokers*, who are under the regulation of particular laws, enacted to guard against the abuses and extortions, which they are too much tempted to practise.

## CHAPTER XXXVI.

Of Money, or Capital, lent on the security of Personal Responsibility.

ALL Money advanced on the discount of Bills of Exchange and Promissory Notes, stands on the faith of the responsibility of the parties to these Bills or Notes. The amount of money so employed, in a Mercantile Nation like



Great Britain , is exceedingly large. And the temptation to the Capitalists, who are themselves connected with commerce and traffic , is powerful.

It is thus lent for very short dates ; two or three months at most ; and is always returning to give a choice of speculations , as circumstances make them eligible. In addition to this , the custom of advancing the interest at the commencement of the loan , gives an interest beyond what would otherwise be legal.

Money lent on Bond , when it is intended to remain for any time , seldom takes place to any extent , except when it is very plentiful , and Landed and other more desirable securities cannot be found. Yet many who have not specific pledges , which they can conveniently give , may be found meriting to be trusted on this sort of obligation , which extends both over their persons , and over all their property.



## CHAPTER XXXVII.

On the Usury Laws.

THE Question of the policy of the USURY LAWS was brought before the House of Commons by Serjt. Onslow; and was referred to a Committee, before which a laborious investigation and long examination of evidence took place, at the end of the last Parliament. This Committee delivered their Report on the eve of the Dissolution. Not having had an opportunity of seeing more than garbled extracts of it, I am unwilling to discuss this important topic. At present my opinion is strongly in favour of these Laws, notwithstanding the example of Holland, etc. is pleaded in favour of a contrary principle and practice.

It is said, that money, like every thing else, will, if left to itself, find its proper

value in the market.—I doubt it. I believe protection to be necessary to the Borrower : because what Adam Smith says of a *Seller*, may be said still more strongly of a *Borrower*. « *The Seller*, » says Smith, « is almost always under the *necessity* of selling, and *must therefore take such a price as he can get*. The Buyer is *scarce ever* under the necessity of buying, and will therefore only give *such a price as he likes*. »

That they drive Borrowers to have recourse to the ruinous interest of Annuities, does not appear to be an irremovable objection to these laws. Is it impracticable to extend these provisions of the Usury Laws to the terms of Annuities, according to fixed Tables, like those of the Insurance Offices?



## CHAPTER XXXVIII.

On Tythes.

I AM afraid that this Chapter is a little out of place. In truth, I have not taken it sufficiently into consideration in the distribution of my subject, set forth in my First Chapter.

TYTHES are in the nature of a Tax for the payment of a particular Class of public Functionaries. Perhaps after all, therefore, they may not be ill inserted here, where they will be followed by the subject of State-Revenue arising from Taxation.

They are, however, in many particulars, essentially distinguishable from general Taxes. They neither form a common fund with other Taxes; nor even among themselves. They consist of separate estates, or issues arising out of the

produce of the local districts, or parishes, committed to the ecclesiastical care of the individuals on whom these benefices are conferred; or when enjoyed by *Laymen*, they originated in these purposes.

As they form a tenth of the gross produce of the land, and of the tame animals sustained on it, to that amount they add to the prime cost. Where this tenth part is the produce of the poorest of the lands in cultivation, and is therefore sold at its prime cost, this additional tenth is paid by the Consumer. Where, as in the produce of richer lands, the market price exceeds the prime costs, the difference is a deduction from Rent.

Great clamours have been raised against Tythes from the grievance of the burden; their discouragement of Agriculture; and their addition to the price of the necessaries of life: more especially, as they are an evil that increases with the improvements of society; that is a Tax upon

spirited expenditure; and falls heaviest, where most encouragement is wanting.

It cannot be denied, that if the principles of cost and market price and value and rent, as here assumed, be sound and true, there is great force in these objections. But unfortunately, it seems impossible to devise a fair and adequate substitute for this mode of provision for the Church. A substitute for the *unproportionally* augmented and augmenting value of this species of remuneration does not seem in justice demandable. In calling it *a property*, the advocates of this system seem to mistake the nature of property. It can be no more than a State-recompense for services instituted by a State in performance of its duties. The mode and quantum of the recompense must be strictly within the prerogatives of a State. It would be impolitic, and wicked, to abolish this order of services; it would be mean, cruel, and unwise to pay them inadequately. But if,

from change of circumstances, the mode hitherto adopted become oppressive; and a heavy impediment in the way of that augmentation of Riches which is necessary to a country's salvation, there seems to be nothing contrary to the true principles of political organization, to adopt a change, whenever another reasonable mode of remuneration can be devised. Property arises out of the necessity of things: Tythes do not. If evils arise out of the inequality of the first of these, they are evils inseparable from the existence of property: if evils arise out of the other, they are mere evils of positive regulation, removeable by a change of the laws; and proper to be removed, whenever the evils become paramount to the good.

It is argued that a large portion of Tythe-holders are easy and lenient in their demands; and are content to take a commutation in money, far below the value of their Tenths. But the Public gains nothing by this: the individual occupiers are the sole gainers.

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## CHAPTER XXXIX.

Of State-Revenue : and Loans, with the Public Debt  
resulting from them.

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STATES may be land-proprietors, like individuals; and like them enjoy the Rents or Profits of landed property. But these Rents, or Profits, in general, form a very small part of their REVENUE; or Public Income. That Revenue principally arises from Taxes, paid as every one's proportion of his property, income, or labour, contributed towards the public service; for the common defence; for the toil expended in every function of Government; for the splendor and parade of state, which is deemed necessary for the promotion of respect, and awe.

It has seldom happened that a nation has for any long series of years confined itself to the income it could derive from  
these

these sources. The augmented expence and waste of war, especially, has necessitated great kingdoms to borrow, on the mortgage of the existing Revenue; or on the faith of new Taxes laid on to pay the interest. By degrees the Capital thus borrowed rises to a very large amount; and exhausts a large portion of this Revenue.

A combination of events at the time of our English Revolution causing a necessity for vast loans, gave occasion to the present form of the establishment of the Public Debt, of which the FUNDS were put under the management of the Bank of England, and became transferable Stock, carrying *Dividends* in the manner at present practised.

State-Revenue, therefore, from this period, has regularly and systematically far exceeded the current costs of our Government. It has become a channel, through which Personal Capitalists receive the interest of their Capital : and



which, mixing up the income-drawer, who receives in right of property and purchase, with the Functionary who receives in right of labour performed, as charges upon one consolidated fund, has the effect of apparently complicating the simple and obvious divisions in the primary distribution of Riches.

A mode of putting out Capital at interest so convenient to the lender; the security of public income, and public faith; the punctuality, the facility, and convenience of the whole arrangement, attracted lenders, and gave Government a vast command of the money-market.

If there was good in this state of things, a good arising from temporary power over the use of Riches, there was also the danger, if not the certainty, of great evil. It was a strong temptation to profusion; to unnecessary wars; and careless management of their costs. It might be a force taken in anticipation of the blood and vitals of posterity; even though for

present purposes it should be as efficaciously and productively applied, as if the capital had not been withdrawn from private borrowers : but, if it should not happen to be so beneficially applied, then it would at once impoverish the present, and the future.

Practically it can scarcely be conceived, that any such misuse has been made of this power. If Capital had been so misapplied as to have been sunk, rather than have been transmitted back through reproductive channels, its springs would have long since ceased to play ; it could not have continued to have provided at once for the increased and continually-repeated anticipations of the future ; and the stupendously-augmented cost of the present.

It seems to be too lightly and inconsiderately assumed, that Individuals always expend Capital in a productive, and Government always in an unproductive manner. There is waste in war ;

and perhaps the capital spent in naval and military operations, not unfrequently, goes to enrich Foreign Countries : but the grand events of the last twenty-seven years prove that there may also be much beneficial encouragement to industry; much stimulus to Agriculture; much aid to solid production, in a war expenditure.

Let us consider then, what the nominal Capital inscribed in the Register-Books of the Public Debt really is!—There are writers and others so foolish and ignorant as to take it to be a positive and actual Personal Capital, existing in the Country over and above the Personal Capital in goods, stock, money, etc. having a material existence, and distributed among the population! A moment's reflection will inform the most vulgar understanding, that, though a Capital was once received by Government, not indeed equal to the nominal debt inscribed in these books, but equal to the sum for which that nominal debt was contracted,

yet Government instantly re-expanded it; and the parts which did not pass away into Foreign Countries, went back again, (although through new channels,) to fertilize the country, in different degrees, according to the direction they took. It is then a Record and Title of the annual Dividends or Instalments, due from Government to the Nominees, out of the National Riches. The Riches exist elsewhere : they form not the least particle even of the smallest dividend : much less of any Capital!—To reckon it among Capital is the same as if, after a landed estate of 1000l. a year had been reckoned as a Capital of 30,000l. the deed of a Mortgagee, who had a debt of 15,000l. upon it, should be set up as another Capital of 15,000l. ! (To own the truth, errors of this glaring nature pervade the Tables of Estimates of National Capital, in certain Works of Political Economy, that have enjoyed some reputation!)

In discussing this topic, the most important point of view is the effect of this mode of applying Capital upon the future Riches of the country so applying it. There is no opinion more generally received, than that it is very injurious. The charge is, that it is thus turned from Productive to Non-Productive employment. Facts and reasonings concur to afford strong cause to believe that this charge is much exaggerated :—it would be too much to assert that it is utterly unfounded.

The disposable Capital that is lent to Government, would otherwise be lent to Individuals. The Agriculturist, the Manufacturer, the Merchant, would, it is supposed, be able to borrow more : and by the mode in which they would use it, would increase, and not annihilate it. The support, cloathing, and equipping armies and navies, is, as it is argued, the maintenance of numerous Bodies, who make no return. The argument proves

too much. If this were the effect; if the Capital expended from 1793 to 1815 by Great Britain in supporting soldiers and sailors had been sunk; if there had been no counterbalance; no return, (whether direct or indirect matters not,) the amount of such annihilation would have been so enormous, as long since to have nearly exhausted all the Capital of the country.

It requires more abilities, knowledge, and leisure than I possess, to develop clearly, accurately, and minutely, the operations of Capital directed in this course. It is certain that part, if not the whole, of the food consumed by these large Bodies has been an addition to the former growth, produced by the stimulus of this expenditure. If this be admitted, perhaps all the rest may follow; and the stimulus and the addition may be equally extended to manufactures and merchandise. Thus Capital so expended, would not, according to the favourite theory, be *unproductively* expended.

It cannot be questioned that Government, being during periods of wars and loans nearly the monopolizers of Capital destined to be lent at use, cause many partial inconveniences and mischiefs. It is not so much that war accompanied by these circumstances destroys Capital, as that it changes its owners! This latter evil, though not so great as the former, is still very serious.

The old Landed Proprietors, in the late epochs of private distress arising from these causes, were perhaps among the principal sufferers. A vulgar opinion prevails, on the contrary, that they were gainers, because rents rose. The benefit of this rise bore no proportion to the counteracting losses by which they were beset.

It must be recollected, that from the nature of Landed Property, no one, who draws his income from this source, can rely upon any regularity in its amount. He is exposed to great deductions from



repairs , fines , failure of tenants , etc. There is, besides , on almost all large inherited estates , a charge of debt , either for portions of younger children , or from other causes. Without any imprudence , therefore , these land-owners have often pressing and imperious occasions for borrowing. The obstacles to *borrowing* upon fair terms , are perhaps still stronger to *selling*.

There were few considerable families of landed wealth , who at the late epoch were not cruel sufferers this way. Many were brought to ruin ; many more will never recover their prosperity. On the principles which I believe to be sound , this is a great political misfortune. Fluctuation of property , and derangement of classes , is a deep mischief.

Such is one of the bad results of Public Loans ; — Among others , is this : that when an individual borrows , he borrows , (speaking generally ,) on the faith of an existing private income , out



of which the interest is to be paid : when the Public borrows, it borrows on the faith of a speculative income, hereafter to arise from Taxes, of which the Lender himself pays a part. In the Private case, if the Capital is sunk, the Income remains : in the Public case, the Capital may be sunk, and the Income never arise!

On the other hand, many benefits, not altogether trifling, may reasonably be ascribed to this mode of appropriating Capital. It is not improbable, that in many cases it imposes a forced but useful economy on individuals. It is the omnipotent instrument of collecting a vast mass of wealth at the heart, ready to be redistributed in powerful masses; quickening circulation; extending credit; facilitating commercial traffic; economising the instruments of exchange; and increasing the force and variety of its operative functions in manifold degrees by its collected strength. It is probable that this is

the great virtue incident to this sort of appropriation of Capital, by which it more than counterbalances all the evils attendant on it.

To draw every Quarter into one mass a portion of every dependent man's labour, and every independent man's income; and to send it back again, re-divided into new portions, through new channels, (for such is the effect of the payment of the Quarterly Dividends :) to add to this in times of war a large portion of the Capital that can be spared; and from the same reservoir to re-distribute it under Treasury Orders, must necessarily create a machinery of multiplied moving wheels, calculated to work with gigantic effect on the activity and mode of employment of Capital.

It is in this sense then that the Public Debt may be the instrument of Public Riches, and Public Strength. Its amount, while the Dividends are paid from annual produce, is an evidence at least of In-

come. And the Capital must continue to bear its due proportion to the size of the Income.

But this mode of allotting out Riches, whether Capital or Income, has its limits. The moment that it presses hard upon production; the moment that, by its new direction, it causes, on the balance, more Capital to be annihilated than it causes to be accumulated, National Riches must rapidly decline.

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## C H A P T E R XL.

On Taxes.

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**M**R. Ricardo's Chapter on TAXES, (Chap. vii. p. 186,) is clear, short, and unobjectionable. He truly says: « It should be the policy of Governments, never to lay such TAXES, as will inevitably fall on Capital; since by so doing,

they impair the Funds for the maintenance of labour, and thereby diminish the future production of the country.» In another page he says : « There are no Taxes , which have not a tendency to impede accumulation ; because there are none , which may not be considered as checking production , and as causing the same effects as a bad soil or climate , a diminution of skill or industry , a worse distribution of labour , or the loss of some useful machinery ; and although some Taxes will produce these effects in a much greater degree than others , it must be confessed that the great evil of Taxation is to be found , not so much in any selection of its objects , as in the general amount of its effects taken collectively (1). »

If it were possible to adhere to the rule , no Tax ought to be laid on an article yet in a state of fructification. All

(1) Ricardo's Principles of Political Economy, p. 189.

Taxes upon prime cost come upon the Consumer in a circuitous and aggravated manner.

The just principle of Taxation seems to be, that all Income, above that arising from the wages which constitute prime cost, should contribute proportionally to its amount : and of that amount the general test must be expenditure.

Innumerable obstacles are found to a rigid execution of this principle. Various exceptions and counteracting policies cross a Financier at every step. Particular classes from political and moral considerations require encouragement : others have too much strength and influence ; and are too intriguing and clamorous to submit to the common burdens.

Of all ranks the Landed Proprietor has always been loaded with an unequal share. The *Assessed* Taxes are a glaring proof of this : especially the *Window Tax*. The consequences have been as impolitic as unjust. If there be a position

in Political Economy, which is pre-eminently indisputable and true, it is this, That the Landed Nobility, and especially the Landed Gentry, should live as much as possible at their Country Mansions (1); and spread their expenditure, as well as their influence, over the districts whence their Revenue is drawn.

The Window Tax has levelled to the ground thousands of ancient Castles and Mansions, the relics of the splendor of more hospitable and generous days. It

(1) I think it is in *Rushworth's Collection* that there is preserved a curious Proclamation of K. James I. reciting that the Gentry have adopted an evil fashion of resorting in multitudes to the Capital; and there spending their rents and corrupting their manners, leaving their peasantry deserted, to their mutual injury in purse, morals, and maintenance: and therefore ordering them back to their Mansions: for the most part *by name*; for the Proclamation contains a voluminous list of offenders; of which the roll is exceedingly interesting to Genealogical Antiquaries. It is not necessary to enquire whether this was a momentary vigor beyond the law: or what were the pedantic and timid Monarch's motives!

has broken up hereditary and long-respected establishments, and driven unnumbered old families to Cities, and Towns, and Watering-Places, to mingle with money-getting manners, to rival the luxurious plenty of manufacturing success; to lose the feudal energies, the sources of heroism and enduring self-privation; to contract effeminate habits, and mean calculating principles of action.

Why are windows charged according to their number? Because they are supposed to be tests of comparative income! But was there ever so fallacious and ridiculous a test? If it be answered, that persons must conform themselves to this test, the reply is, that these persons very often have it not in their option! A lifeholder of an entailed estate cannot take down, or even lessen the mansion!

But the window-duty is not the only grievance. Taxes on horses, carriages, and servants, all fall especially on those who have country establishments.

That

That Taxation may exceed the limits which are politic, and the limits which are just, cannot be questioned. No greater proportion can be justly taken from a man's labour, or his property, than is necessary for the due support and defence of the established Government : including the Debts it has incurred on the same just principle. Taxes laid on to pay the interest of Debts improvidently contracted, and for which no adequate purchase-money has been advanced, do not come within this principle.

If we consider that Taxation, even where it does not nip Riches in the bud, but leaves them the same in quantity, greatly alters the distribution of them, it is no justification to say, that their amount is not lost to the Nation. If more persons are supported on them, than is consistent with ease and comfort; if one reaps the greater part of the harvest, of which another has been at the cost, the Country, where these things happen, labours



under circumstances of serious political infelicity.

To suppose, that when Taxation takes away, generally, a portion of the fruits of labour or property, any general added price to the remainder can be a remuneration, is a gross delusion : a delusion indeed which has been very common ; but which, when once explained, it becomes contemptible folly or stupidity not to perceive. The question is : « Will the added price command in exchange other commodities equal in number and value *only* to the *diminished* number, or to the *whole undiminished* number ? » Certainly only to the diminished number ! Then what remuneration is the augmented price (1) ?

(1) When in the last Parliament I was impelled, by a sense of public duty to the cause of Literature, to endeavour to obtain an Amendment of the cruel and impolitic *Copyright Act of 1814*, whereby eleven Copies of every Work printed and published in England, Scotland, or Ireland, are to be delivered gratuitously to eleven Public Libraries : (viz. four in

To partial Taxation the objections are of another kind : but not less powerful.

England; five in Scotland; and two in Ireland,) it was attempted to disprove the operation of this burdensome Tax by the assertion, that the Cost of these eleven Copies might be added to the price of the remainder. Such things may take place in partial Taxes; because such Taxes make a partial addition to prime costs : but then they operate to discourage production; and act in defiance of the true principles of Taxation. A general rise of price defeats the remuneration proposed to be derived from its increase : a partial rise is a clog to the vent of the commodity in the market; or a deduction from profit, which, by driving Capital to other employ, diminishes production.

Thus is this gratuitous delivery, or rather forced demand, an outrage upon the true principles of Taxation. But this heavy burden is, in the particular case, grossly aggravated by many circumstances of additional hardship, or inconvenience : which this is not the proper opportunity to detail. A few short remarks may, however, be forgiven me.

Its extreme inequality is alone a decisive objection to it. Whether it operates on Profits, or Price, it varies even from a half to a five-hundredth. It takes 11 out of 22 copies : it takes no more out of 5500!—But all expensive Works are of small impressions : most cheap Works are of large impressions. This very high ratio, therefore, operates on Works of the greatest value : while the low ratio operates on Works of the

There it falls either on Prime Cost, or Profit, or Rent. Thus it nips fruit in the

smallest value. One *half* is taken from copies worth five or ten guineas each : one *five-hundredth* part, viz. less than a farthing in value, from copies worth ten shillings!

But of these expensive Works, of which the number of purchasers is small, the Libraries on whom the gratuitous supply is conferred, would otherwise be purchasers. Nor does the loss end here : the books, by being placed in Public Repositories, supply the wants of many individuals, who would themselves, but for this substitute, be necessitated to buy.

The estimated annual value of the Books so claimed is not less than 5000l. or 6000l. This is, as I contend, a sum entirely taken from the remuneration of Authors, and Profits of Publishers. But if, as the advocates for the Universities argue, it be an additional cost to the Public, the discouraging effects upon Literature are scarcely less severe. For the Public will buy fewer books by the whole amount of the sum added to the Price.

If the objections to this Tax are insuperable, the reasons, on the other hand, urged in justification of it, are trifling and fallacious. It is pretended to be for the *Encouragement* of Literature. To put a heavy Tax on the recompense of Labour, and Profits of Capital, is a *new mode* of *encouraging* them! It is set up as a payment for the protection of Copyright! But the payment is demanded, where no Copyright

bud; diminishes buyers; and drives Capital to other occupations.

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No part of Mr. Ricardo's Work appears to me so valuable, as what he has

is claimed! And, where Copyright *is* claimed, how comes the right of receiving the payment to be vested in these Public Libraries? Do *they* confer this right? Is it at *their* expence that this property is confirmed? But all the best authorities agree, that the right is of ancient law: it is certainly founded on justice and reason: why should not a man be protected in the benefit of the fruits of this the highest sort of labour? What inconvenience could arise from it? Disputes as to the succession!—Those might easily be adjusted. A due lapse of non-claim might remedy the inconvenience of a bar to new editions, where heirs could not be found.

See the Article on this subject in the *Quarterly Review*, May 1819, N°. XLI, which closes with the following passage:

« However slight the hope may be of obtaining any speedy redress for this injustice, there is some satisfaction in thus solemnly protesting against it; and believing, as we do, that if society continues to advance, no injustice will long be permitted to exist after it is clearly understood, we cannot but believe that a time must come, when the wrongs of Literature will be

said on *Taxation* : including not only the General Chapter ; but the Chapters on Particular Taxes , from viii. to xv.

« Taxation , » says he , « under every form presents but a choice of evils ; if it do not act on profit , it must act on expenditure ; and *provided the burden be equally borne* , and do not repress reproduction , it is indifferent on which it is laid. Taxes on production , and on the profits of Stock , whether applied immediately to profits , or indirectly , by taxing the land , or its produce , have this advantage over other Taxes : *no class of the community can escape them ; and each contributes according to his means* (1). »

In another place he says : « It may be laid down as a principle , that when Taxes acknowledged , and the literary men of other generations be delivered from the hardships to which their predecessors have been subjected by no act or error of their own. »

See also the Article *On Copyright* , in the *British Review* , 1819.

(1) Page 212.

operate justly, they conform to the first of Dr. Smith's maxims; and raise from the people as little as possible, beyond what enters into the public Treasury of the State (1). »

Again : « Of all commodities, none are perhaps so proper for taxation, as those, which either by the aid of Nature or Art, are produced with peculiar facility (2). »

To pursue the ramifications of heavy Taxation into all their effects would require the space of a volume, or rather volumes. When a private borrower is loaded with the interest of a loan, he has first had the advantage of the borrowed Capital, out of which to pay it. When he is charged with Taxes to pay the Dividends of the Public Debt, he has previously enjoyed no such benefit. The Capital in one case would, with common prudence, have produced its

(1) Page 517.

(2) Page 525.

own means of repayment : in the other case it is not generally so ; and even where it is productively applied , the burden is not laid on the point where the good has been received.

High Taxation is , therefore , on the whole , a great political malady ; and essentially interferes with the ease , riches , and happiness of the Country , where it has taken place. The experience of Great Britain has demonstrably proved , contrary to all theory , that there may yet be powerful counteractions to it , that may enable a Nation to prosper and grow rich *in spite of it*. But superficial Economists must not *therefore* suppose and argue that Taxation and the National Debt have *caused* this prosperity ! And still less must they persuade themselves , and endeavour to persuade others , that , though we have hitherto survived its evils , we may safely continue the same course. There is a limit to endurance ; to strength ; and to counteraction !



It seems to me among the minor, yet not light, evils of this immense Debt, that it has accumulated London, and its suburbs to such an unwieldy size! It draws the blood too much about the heart; and creates *partial* plethories; and inanition in the *extremities*! It encourages that trafficking character, to which the English are too much addicted (1).

(1) Since I left England, Two Pamphlets have reached me, which have been of some celebrity, entitled *Letters to the Rt. Hon. Rt. Peel, M.P. for the University of Oxford, By one of his Constituents, On the Pernicious effects of a Variable Standard of Value, especially as it regards the condition of the Lower Orders, and the Poor Laws.* The second Letter is *On the Causes of the Increase of Pauperism, and on the Poor Laws.* The First Letter appears to me far superior in its composition, reasoning, and opinions to the other. This Note, and the subject of these Letters, do not strictly belong here. But as I find, when advanced thus far, that I shall not have time, before I quit Geneva, to append the Notes I had designed for this Volume, I must embrace this opportunity of adding a few more lines on a subject I am unwilling to leave entirely unnoticed.

The Letter-writer is a strong *Bullionist*. He argues with great force, precision, and elegance. On the



It is the focus of coarse luxury ; of sensuality ; disaffection ; and vice : a large head , too big for the body , and filled

subject itself the opinion of the Public is at last sufficiently settled. That which I admire most in this Letter is the fine sense of the necessity of considering the *Moral Ingredient* in discussing great questions of Political Economy. I cannot refrain from citing a specimen, that delights me. « In the intercourse of life, how numerous are the transactions , into which money enters as only one ingredient of the compound ! The moment we quit the shop or the market, all our payments are mingled up with a thousand feelings , more or less foreign to the commercial principle ; feelings of respect , of delicacy, of forbearance, of affection, of friendship, of gratitude, of duty, which abhor the language of traffic , and studiously exclude it, as far as human affairs will permit, from their communion. It is needless to dwell upon the well-known fact , that all men of liberal and cultivated minds shun this species of negotiation between themselves , that they abridge and evade it if possible , and throw it off upon some intermediate , or professional agent.» etc. *Letter 1, p. 26.*

The *Second Letter*, which ascribes the present afflicting state of *Pauperism*, not to the principles and application of the *Poor Laws*, but to the *Variability* and *Depreciation* of the *Currency*, does not, in my opinion, at all make out the case, the author proposed

with inflammable poison! The Fundholder at the same time is beheld by the rest of the Population with an ill-disposed and grudging eye : and not entirely without reason ! Admitting the riches to be the same , it cannot be a matter of indifference by whom they are spent ! Whether the labourer retains all the prior proportion of the fruits of his toil ; or pays a part to the tax-gatherer ! Whether the man of property enjoys all his former income ; or yields a part to this ungracious demander ! But it may be said ,

to establish. Some separate parts are well argued , and it could not be otherwise ; because it is clear that the Author is a man of genius ; a scholar ; and a clear and original thinker.

The Author seems to entertain the opinion, that in times of distress Capital will be wanting to *employ* the Poor : which I yet believe to be a *fundamental error* ! See Chap. xx. p. 80, and *Arguments for employing the Poor*, there cited. I am fortified in these opinions by the whole train of Malthus's arguments : though opposed, as it seems, by a passage of Ricardo, which I will hereafter endeavour to notice.

that the Dividend , which it pays, is equally purchased property ! It is so. But purchasers must necessarily involve themselves in the fate of the title on which they choose to risk their Capital ! Their title is through the State , who are the Receivers, but not the Payers !

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## C H A P T E R X L I .

Of Foreign Commerce.

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**T**HHE Principles of Foreign Commerce are, with regard to the objects of consideration of the present Tract, mainly the same as those of Domestic Trade. I have not therefore entered into a separate discussion of them in the place, to which, if a separate discussion had been requisite, they would have properly belonged: *viz. after Chap. xi. p. 56.* A few short Observations may, however, be proper

here, before I come to my General Conclusions.

With the exception of Corn, for the reasons already given, it may probably be admitted as a General Position, not to be controverted, that every commodity may be best drawn from the country, where the article of equal goodness is produced with the greatest facility, and under the most favourable circumstances, and whence it can be furnished to the Consumer at the least cost. On this principle, one Nation does not by the exchange enrich itself at the expence of another; but they are mutually enriched.

The Principle therefore of Prohibitory Duties, is, with the exception I have mentioned, if all Nations would equally forego them, indefensible. But it is necessary that there should be a reciprocity in the abolition of them.

It is by an union of Domestic Manufacture and Trade, with Foreign Commerce, that the highest degree of Riches

can be attained. But it is possible, as it seems, for a Nation to arrive at a considerable power of Riches and Strength, with a small comparative quantity of Foreign Commerce. And it is certainly true, that the advantages of Foreign Commerce may be bought too high.

As to the generally-received opinions of the advantages of a favourable *Balance of Trade*, which, when I commenced this Tract, I intended to have discussed, I find that the limits to which I have approached preclude me at present from entering on so important and comparatively new a topic. The arguments of Say are at least well-deserving of mature consideration (1). *Balance* implies a *Balance in money*: and this *Balance* and *Profit* are taken to be synonymous. But *Profits* may be paid by a balance in *Goods*: and *Losers* may receive a balance

(1) See Say's *Traité d'Économie Politique*, vol. i. pp. 175, 222. « *Digression sur ce qu'on nomme la Balance du Commerce.* »

in *Money* which may not bring up what they receive to an equality in value with what they part with. But the Balance of Exports and Imports is liable to many qualifications and exceptions, before it can be admitted as a decisive test of prosperity, or the reverse. It is not the mere quantity : the nature of the commodities must enter into the consideration. At the same time a Balance in Money seems to afford a presumptive inference of an excess above demands for immediate consumption ; and therefore of an accumulating Capital.

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## CHAPTER XLII.

### General Conclusions.

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THE preceding Chapters have, I trust, sufficiently laid down the Premises, from which I am to draw the conclusions, that

I have thought it my duty to endeavour to establish.

In considering the Questions of Population and Riches, as they were presented to me by the most popular writers and debaters on those most important of all political topics, it seemed to me that they had taken too narrow a view of these subjects; and not sufficiently looked to the ends, by which their value must be measured. It is not sufficient to enquire what is the greatest attainable quantity of Population? or what is the greatest attainable quantity of Riches? These quantities must be qualified at the same time by the largest attainable quantity of morals and happiness!

A starving, diseased, discontented population is weak, not strong, in proportion to its numbers. Riches, gained at the price of miserable and sickly modes of labour; and vicious, turbulent, and improvident manners and habits, are defective

defective in the only purposes for which Riches are valuable.

To come to dispassionate and profound conclusions upon these vital points, the plain, simple, and sure way seemed to be, to trace Riches and Property to their sources; to pursue them into their natural and necessary distributions in society; and to attempt to distinguish such evils as are inseparable from humanity, from those that arise from casual and local abuses; from the stupid or vicious or mistaken policy of mankind; from the avarice of particular classes; from the wastefulness or tyranny or errors of Governments; from the false philosophy of some; from the interested misrepresentations of others.

Till we can understand with some degree of precision the separate shares of the General Wealth, to which each class is entitled; and the ground of that title; and till we know how that Wealth is produced; we can neither be qualified



to suggest, nor decide upon, the remedies proper for the disordered political economy of a State; nor even on the character or degree of its diseases.

All the great disputed Questions of Productive and Unproductive Labour; of the comparative advantages of Agriculture, and of Manufactures and Trade; of the Corn-Laws; of Metallic and Paper Currency; of the Poor-Laws; of the desirable extent of Population; of the nature and degree of the evil of the Public Debt; which, if examined with partial views, and merely upon the surface, are involved in inextricable difficulties inconsistencies and contradictions, are furnished with a simple clue for resolving the doubts regarding them, by thus unveiling the sources of Riches, and their necessary ramifications.

Let me then here recapitulate the particular positions I have seen occasion to lay down for this purpose.

1. That Riches, according to the true definition, do not include *immaterial* things : but that they consist of *matter*, exchangeable for the same value, either in other matter, or in what is *immaterial*.

2. That the Population is divided into *Producers*, and *Non-Producers* of these Riches.

3. That the *Non-Producers* are three-fold : Persons who live on independent property ; Persons who live by *Non-Productive* labour ; and Paupers, supported, without labour, by the Poor-Rates.

4. That Producers are Agricultural or Manufacturing.

5. What is the true definition of Wages, Cost, Price, and Profit.

6. What is the true use and principle of Currency ; and under what limits Paper may answer this end more beneficially than Metal.

7. That Adam Smith's distinction of Productive and Unproductive Labour is right : and that Garnier and Say are

wrong, by carrying over to the class of Producers those whom they call Contributors of *Immaterial Riches*.

8. That *Usefulness* is an erroneous Test of Riches.

9. That among Non-Producers are those, who aid production by intermediate services between the Producer, and Consumer; such as Merchants, Retail-traders, etc.

10. That a due proportion should be kept between Agricultural and Manufactured Production.

11. That of Non-Productive Labourers, part live by *Bodily*, and part by *Intellectual* Labour. Among the first are Domestic Servants; Soldiers and Sailors. Among the latter, Members of the Liberal Professions; the higher ranks of the Civil Servants of Government, etc.

12. That Paupers are an anomalous class, deriving income neither from Labour, nor from Property.

13. That Labour ought to be exacted in return for support, where possible; and that it is an error to suppose it not generally possible.

14. But that all able-bodied paupers ought not only to work for a livelihood, but themselves to find out the employment.

15. That to pay part of the Wages of Labour out of the Poor-Rates is one of the worst and most mischievous abuses of the modern misapplication of the Poor-Laws.

16. That Persons living on Property are as useful to society as those living on Labour.

17. That Capital is either Landed or Personal: and that the former is indestructible: the latter, destructible; and also may be distinguished into productive or barren; fixed or circulating; natural or artificial.

18. What is the definition, and true source of Rent.

19. That the rise of Prices is concurrent with the rise of Rents, not the consequence of it.

20. That the rise of Rents does not necessarily cause a diminution of Profits.

21. That the protection of the Corn-Laws is necessary, if an Agricultural population is more desirable than a Manufacturing population : and that the former is more desirable, because it is more healthy, more moral, and more contented.—That these Laws are also necessary, if we would not be dependent on other countries for food.

22. What is Personal Capital : and in what modes an annual income is derived from it.

23. What are the advantages from lending it on the security of Land.

24. What, from vesting it in the Public Funds.

25. That it is sometimes lent on the pledge of Goods.

26. Sometimes, on the security of Personal Responsibility.

27. That the Usury Laws seem necessary for the protection of Borrowers.

28. That Tythes are objectionable as a Tax on the prime costs of the necessaries of life : but that it is difficult, if not impossible, to find an adequate substitute.

29. That State-Revenue principally arises from Taxes : and that the amount of these Taxes is very much increased by the provision for the large Debt created in a series of years by anticipated income : that the degree of mischief of such Debt depends on the mode in which the Capital so borrowed has been expended : that this Debt has been absurdly mistaken for a Capital : that in some respects this application of Capital has not been unfavourable to the accumulation of National Riches ;—but that in others it has been very injurious.

30. That Taxes ought not to be so laid as to diminish future production; and therefore ought to spare Capital : that they should operate equally, according to Income, except upon the lowest : but that numerous obstacles in the way of the Financier render this scarcely practicable : that Taxation is a great evil, justifiable only from strong necessity ; and that there are certain limits, which it cannot exceed.

31. That Foreign Commerce stands mainly on the same principles as Home Trade : that, with the exception of Corn, it is for the mutual benefit of all Nations, acting with reciprocal freedom, to draw commodities from the country, where they can be produced cheapest; and that the general abolition of prohibitory duties, with the above exception, may be of equal advantage to all ; all thus mutually sharing in each other's prosperity : and that the soundness of the old ideas about the Balance of Trade is at least doubtful.

From these particular positions I come at length to sum up my grand conclusions.

That in every country of large extent, with that due proportion of natural advantages which can alone secure the permanent power and prosperity of ages, an eminent degree of solid and durable Riches can alone be acquired and retained by a Population, 1, of which the numbers equal, but do not exceed, the means of subsistence, capable of being drawn from the native growth of that Country :—2, of which the productive labourers are duly apportioned between Agriculture and Manufactures; and of which any little excess should always lean to Agriculture.

That the distribution of Riches in their various proportions between the Governments, the Capitalists, and the Labourers, springs up, and is concurrent with the very creation of those Riches : that they are artificial things, which, according to the destiny of Providence,



can exist in no other way : that the Capitalist's property is as necessary to their production as the poor man's labour : and that no such accumulation could have taken place but under the protection of such rights of property.

That these proportions are duly defined by the principles, out of which, according to the order of things, they naturally spring : and that therefore to know those principles is absolutely necessary to enable us to decide how far the political arrangements of a country are in a healthy state ; and how far they have been disturbed by unwise laws or mischievous habits.

That some mode or instrument of exchange, or transfer of these Riches, not in kind, but in value, became necessary even from a very early period of society : that the precious metals were anciently and generally adopted : that a Paper-Currency, which is of modern adoption, has many advantages, and some great contingent, but not necessary, evils : that it

ought not to exceed the quantity of metallic currency, which, if paper were out of use, would be requisite for the same purposes : that, though there is inherent in it a strong tendency to excess, that any great excess has actually taken place, is at least doubtful : that at any rate great temporary good has arisen from its adoption : and any temptation to future excess will be amply controuled by the cessation of the provisions of the Bank-Restriction Act.

That the Poor-Laws are, on these Principles of Riches, unwise ; and a dangerous disturbance of the due distribution of them.

That they have an incontrovertible tendency to augment the population beyond the means of subsistence : and to press upon, and literally exhaust the surplus property of the country : and that so far as they pay wages out of the Poor-Rates, they are an equal infringement upon the rights of the Labourer.

That the mode in which the Capitalist spends his **Income** is at least as useful to

society as the mode in which it is spent by the Producer and the Labourer : and that the income derived from Land is both derived from more productive sources ; and spread through more beneficial channels , than that drawn from Personal Capital.

That Rent adds nothing ; or the merest fraction to the price paid by the Consumer for Corn : that it arises from the unequal fertility of the soils in cultivation , and consequent inequality of cost or labour in the production : that such are the only terms , on which Providence has ordained that the same quantity of Corn can be grown in a country : and therefore that the sole question is , whether a rational people can consider the enrichment of landlords so great an evil , as rather to forego the production of the due quantity of home-grown corn , than suffer this partial enrichment of one of their Classes?

That it is erroneous and invidious to assert or argue that rise of Rents is at the expence of Profits.

That Rents and Profits spring from analogous principles : and if while one augments, the other declines, it is because these principles are not kept in equal and concurrent activity.

That Home-grown Corn adequate to the subsistence of the population is necessary upon two great considerations, decidedly paramount to all minor inconveniences : *first*, from the superior health and morals of the labouring population employed in producing it : *secondly*, from the independence of Foreign Nations for articles of prime necessity, which it secures.

That income derived from the interest of money is more certain and punctual than Rent of Land : but not so intimately blended with the various sources of National prosperity ; and therefore not so

operative on the moral and political character of its possessors.

That Tythes are a heavy tax, augmenting unproportionally as Agriculture improves.

That Taxation, for the support of the necessary expences of the State, stands upon the most legitimate principles : that the regular system of anticipating income by Loans, and throwing the burden of payment on posterity, is lig with frightful effects and final ruin ; that the vast Debt which this system has accumulated in Great Britain, though it may have been attended by some powerful counteracting benefits, has necessitated a gigantic extent of Taxation, highly impolitic, and heavily oppressive both on property and industry : that, it is true, the National Riches have still continued to augment in spite of it ;—that there has been an elasticity ; a vigour ; a fertility of resource, which has borne up against the weight, and produced added means

against added demands : but that these counteractions cannot always continue ; and that there are limits to Taxation, which cannot be passed without ruin.

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I CAN easily anticipate that, among the readers of these pages, if any number of readers shall be found for them, not a few will pronounce these Conclusions to be *truisms*, which it is superfluous to lay down : much more, to support by anxious argument. Plain and convincing as they appear to me, and plain and convincing as I hope they will appear to many of my readers, the principal of them have not hitherto been deemed so obvious and indisputable, as they may suppose.

Some have estimated the strength and value of a Population by its numbers.

Some have estimated the value and wisdom of the measures of political economy, and of the laws enacted to enforce

them, by the mere test of the Riches they were calculated to produce.

Some have deemed the Poor Laws to be beneficent, politically wise, and morally conscientious and necessary.

Some have thought that the Riches of a country must consist in its money; and that Paper-money having no intrinsic value, therefore the Riches of Great Britain were a shadow!

Some have thought, that it was cruel to prohibit the Poor from buying Corn from countries, where in the first instance it could be had cheapest; and cruel at the same time not to protect the produce of their Manufacturing labours from Foreign competition!

Some have deemed it hard and oppressive that Landlords should enjoy augmented Rents, though the same causes furnished to themselves augmented Corn.

A few have taken Debt for Riches; and Taxes for symptoms of Prosperity. Others, more dangerous in their complacence

placence, have lulled themselves into a sort of supine optimism; and supposed, that as we have weathered the storm in the past, so we shall for ever ride the waves, let the storm blow, and the billows rise as high as they will!

But perhaps the most universal errors on matters of political economy in Great Britain are those in favour of the preponderance of the Mercantile System. The Manufacturer is always preferred to the Agriculturist: the Manufacturing property to the Agricultural! A false value, also, is set in the scale of society on Producers over Non-Producers; and the indestructible rights of various classes to their unequal proportions of property, are neither enforced nor understood.

I conclude therefore with a summary of my main object:—

*That a large Population is only good, when it keeps its proportion both to its means of subsistence; to the due distribu-*



*tion of its Riches ; and the healthiest and most moral modes of employment.*

That Riches, if attainable at the expence of virtue and salutary labour, are curses to be avoided ; not benefits to be sought.

That therefore to argue that a Nation, where the best soils are insufficient to grow the due subsistence, ought to adopt a resort to Foreign growth, because greater Riches may be acquired by turning the husbandry-labourers of the poorer soils to the more profitable occupation of Manufacturers, is one of the most dangerous and mischievous doctrines that was ever set forth to delude the public mind. And the mode in which it is received is another glaring proof of the direction in which the prejudices of the British Nation always flow.

The Philosophy of the Stock-Exchange is always of a narrow character, however acute and ingenious it may be ! And a hope may not irrationably be now in-

dulged, that the influence of the Bank of England over Treasury conduct may hereafter be greatly lessened, if not annihilated!

*August 20th, 1819.*



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