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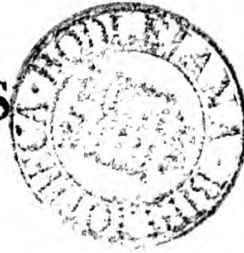
**TRACTS**

**ON**

**Political Economy.**

**LONDON:**  
**Printed by A. & R. Spottiswoode,**  
**New-Street-Square.**

TRACTS



ON

# Political Economy.

VIZ.

1. BRITAIN INDEPENDENT OF COMMERCE;
2. AGRICULTURE THE SOURCE OF WEALTH;
3. THE OBJECTIONS AGAINST THE CORN BILL REFUTED;
4. SPEECH ON THE EAST INDIA TRADE.

WITH

## Prefatory Remarks

ON THE

CAUSES AND CURE OF OUR PRESENT DISTRESSES,

AS

ORIGINATING FROM NEGLECT OF PRINCIPLES  
LAID DOWN IN THESE WORKS.

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By WILLIAM SPENCE, Esq. F. L. S.

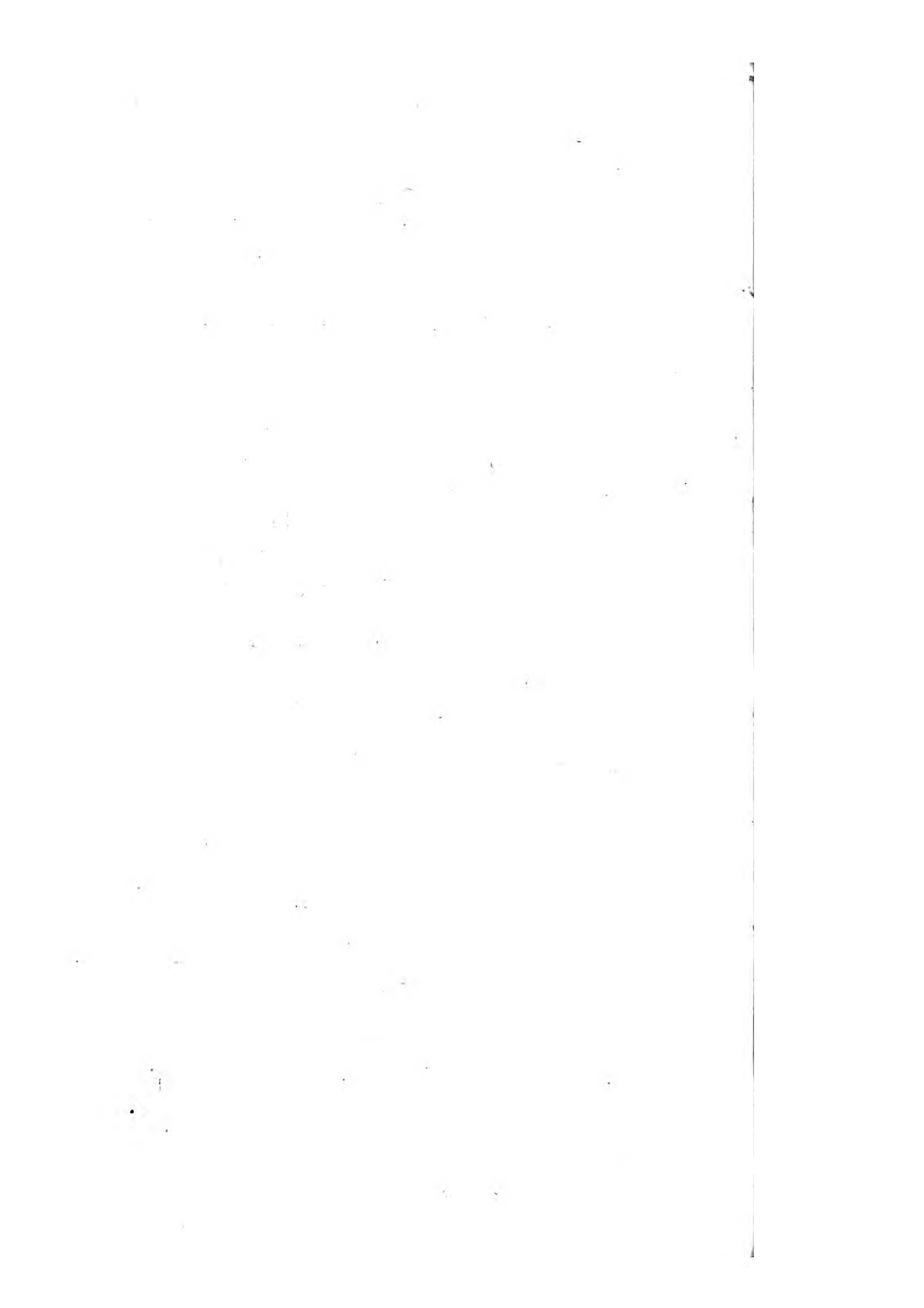
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LONDON:

PRINTED FOR

LONGMAN, HURST, REES, ORME, AND BROWN,  
PATERNOSTER-ROW.

1822.



TO  
**JOHN SYMMONS, ESQ.**

PADDINGTON-HOUSE,

LONDON.

MY DEAR SIR,

IF any good result from the publication of this volume, the merit will be chiefly yours, as but for your flattering suggestions it would certainly not at present, if ever, have appeared. To you, therefore, allow me to have the honour of dedicating my Tracts in this their collected form.

I have to thank ENTOMOLOGY for procuring me the acquaintance of my excellent and learned Associate in another literary un-

dertaking, whose friendship has, for fifteen years, formed one of the principal enjoyments of my life; and I now feel myself highly indebted to POLITICAL ECONOMY for introducing me to a man of your estimable qualities, entertaining sentiments on the science which we cultivate, so exactly coinciding with my own.

I have the honour to be,

My dear Sir,

Your obliged Servant,

WILLIAM SPENCE.



## PREFATORY REMARKS.

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THE state of my health having for some time past obliged me to withdraw myself wholly from literary pursuits, it was not my intention to write a line on the subject of the present distresses of the country, had not the flattering solicitations of the gentleman to whom the Volume is dedicated, a stranger to me until he honoured me with his correspondence, that I should republish my tracts on Political Economy, which he is pleased to think may be particularly useful at the present juncture, prevailed upon me to depart from my purposed silence somewhat farther than by simply complying with his request.

It would be great affectation of humility in me, to conceal my conviction, that the truth of the principles maintained in these works,

is irrefragably proved by the present state of the country. Since 1815, we have had *one half more* foreign commerce than we had during the war, our total exports, as appears from parliamentary documents, having averaged thirty-four millions, official value, per annum, from 1792 to 1813, and fifty-one millions per annum, since the peace; and we have had taxes to the amount of more than fourteen millions a-year taken off. Yet with a *depressed agriculture*, and *low price* at home, universal poverty and misery prevail, and are yearly increasing. And the stability of my positions, (now strengthened by the fulfilment of all my predictions,) as to the effect of high price in extinguishing the National Debt, and thus proving the most effective sinking fund, and of low price in virtually increasing it, and rendering our money-sinking fund abortive\*, is, I think, at present placed beyond all question.

I am, however, quite sensible that there is much in the *form* of these pamphlets requiring alteration, to make their principles fully bear upon present exigencies, as well as much

\* See the concluding pages of the following tract on the Corn Bill.

in their style that needs correction. But as my health entirely forbids my attempting to re-model them; as I could add little to the *grain*, which may be easily sifted from the chaff, by those who will take the trouble to study the question; and as Mr. SYMMONS has convinced either my judgment or my vanity, that with all their defects they may be of some little utility; — I have determined to reprint them without alteration, merely prefixing some very brief observations as to the causes and remedies of our present evils. Into any extended or studied detail, I cannot pretend to enter; but shall simply put on paper a few general ideas which have long been familiar to my mind; waiving all discussion respecting Parliamentary Reform, which (though myself an advocate for, to a certain extent, on general principles,) would, in my opinion, have no effect whatever in removing our calamities, if other measures, not contemplated by its friends, were neglected.

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IF I were asked to state in one word the cause of our wealth and prosperity during the war, I should answer—*the high price of agricultural produce*, gradually influencing and

increasing the price of all other commodities ; and, by the vast stimulus which it gave in every shape to the productive powers of the soil, augmenting, far beyond parallel in any age or country, our SURPLUS DISPOSABLE PRODUCE; which Mr. MALTHUS, in his *Essay on Population*, has so justly assigned as the main cause of British grandeur ; and which, as the celebrated Dr. CHALMERS, of Glasgow, who is as eminent a political economist as divine, in his little-known but highly valuable work "*On National Resources*," (1808,) has so clearly shown, would have sufficed for our exertions, though all our steam-engines had been broken up for old iron, our spinning-jennies for fire-wood, and every manufacturer (except of mere necessaries) had been converted into a soldier.

This high price is by many attributed to an over issue of paper, and a consequent depreciation of our currency: but the erroneousness of this opinion may be easily shown. In the first place, this supposed depreciation could not have been the *sole* cause of the rise in prices, because these prices (as was in every one's mouth) had *doubled* during the war, that is, had increased one hundred per cent.; while

no one ever contended that the depreciation of paper exceeded the difference between the price of gold and paper, as indicated when the former was bought with the latter, which was never more than from twenty-five to thirty-five per cent. But, in the second place, though it is probable that *some* over-issue might occur where no regulating check existed; that this over-issue and consequent depreciation were to no great extent, and could not have been even a *considerable* cause of the rise in prices, was proved to demonstration by what occurred at the peace in 1814, when the foreign exchanges rose, and bullion fell to within seven or eight per cent. of par, *though no contraction, but rather an increase, of its issues had been made by the Bank of England*; thus clearly evincing that the high price of bullion had been mainly owing to our vast foreign expenditure, and not to a depreciated currency, which we *could not* have had to a greater extent than seven or eight per cent. This fact, which convinced me of the error of my own previous ideas, formed on the report of the Bullion Committee, as to the depreciation of Bank paper, is so strong and unanswerable, that a writer on the subject in the

*Edinburgh Review*, 1816, who found himself pinned by so awkward a dilemma, was actually reduced to the extremity of suggesting, towards extricating himself, whether *the circulation of Bank notes on the Continent*, as proved by their being seen current in Holland, &c. (though this *could* have only arisen from the sums spent by travellers; for whoever heard of merchants paying for their goods, or Government for its expenditure—the only other modes by which they could get thither—in bank notes? and could not have amounted to 100,000*l.* out of thirty millions,) had not decreased the amount at home to such an extent, as to have been the cause of their rise in value!!!\*

\* I give the entire passage, which I noted, at the time I read it, as an amusing specimen of the way in which even a literary monarch, sitting on his judgment-seat in all the trappings of state, can, on a pinch, condescend (to use a vulgar but expressive phrase) to help a lame dog over a stile.

“After the general peace was concluded at Paris, in 1814, the notes of the Bank of England, judging by the usual tests, the price of bullion and the state of the exchange, began to rise rapidly in their value. Towards the end of that year, the price of gold had fallen to 4*l.* 5*s.* per ounce, though it afterwards rose to 4*l.* 10*s.* and the exchange with Hamburgh had improved in proportion. During this period, however, the circulation of

The true causes of this high price (assisted, I admit, by occasional bad seasons) were two : 1st, the *national debt*, or, in other words, *taxation*, which invariably enhances, first, the price of the necessaries, and next, of the luxuries of life, (thus neutralizing and correcting its otherwise injurious effects) in all cases where the commodities of untaxed

the Bank of England had rather been increased than diminished ; so that the increased value of bank notes could not have been the consequence of a diminished supply. No other cause can therefore be assigned for it, but an increased demand." [*No other !* Was not the great improvement in the exchange by the vast increase of our exports, and diminution of our foreign expenditure, *another*, and, indeed, the true assignable cause, of the fall in bullion ? which was what, in fact, took place, and not, as the Reviewer chooses to call it, a rise in Bank notes.] " The commerce of this country, contracted, for several years before, by violence and war, within the narrow circle of its own territory, was suddenly released from its restraints ; — the intercourse with the Continent of Europe was now opened ; — British produce was exported in great quantities :—and may not this sudden extension of commerce have opened new channels for the circulation of Bank of England notes ? We know that they were at that time current, to a certain extent, in Holland, Hamburgh, Paris, and other parts of the Continent, where they had not been seen for years before ;—and may not this extended circulation have been the cause of their increased value ?"—*Edinburgh Review*, Feb. 1816. Vol. xxvi. p. 151.

foreign countries are not suffered to enter into competition with those of the taxed country; and, 2d, the virtual *monopoly* which the agriculturists enjoyed of the home-market, and which was effectually secured to them by the high price of corn abroad, the heavy war-expenses of freight and insurance, and Buonaparte's schemes of blockade.\*

\* I am aware, that during the war, there were often considerable importations of corn, averaging, of wheat, about 500,000 quarters per annum; but as these importations were barely sufficient to fill up the deficiency in our home supply, arising from frequent short crops; from the extraordinary consumption and waste incident to a state of war; and from the inadequacy of our produce during part of this period, before our agriculture had acquired all its subsequent improvements, to our actual wants;—no candid reasoner can doubt that the agriculturists enjoyed a *virtual monopoly* of the home market. It is notorious, that during part of the war, even in tolerably productive years, our own growth of corn was inadequate to our consumption; and that the crops of two or three years were deficient, full one-third; consequently, unless it can be shown that our importations *exceeded* these defalcations, it is mere quibbling to deny that the agriculturists possessed the home-market without competition. If three of our East India tea ships were to be lost next year, would any fair arguer contend that the East India Company had not enjoyed a virtual monopoly, because it suffered three American tea ships of like burthen to come hither and dispose of their cargoes to supply the deficiency? Every political economist



Of these two causes, the *last* was by far the most important ; since without the monopoly of the home-market, taxation could have had no effect in raising prices, which it is evident must have remained as low as ever, if Polish wheat could have been imported and sold all along, during the war, at forty shillings per quarter.

If the high price of agricultural produce were the cause of our riches and prosperity during the war, it is equally clear, that its low price has been the grand source of our poverty and misery since the peace. That the sudden reduction of our war expenditure assisted, is probable ; but so little, comparatively, of this was spent at home, that its effect could not be very considerable. The unrestrained importation of corn in 1814 and 1815, which at once reduced prices nearly

ought to know, that an importation of 500,000 quarters of grain, when a deficiency of 600,000 quarters existed, would have no effect in reducing prices below their profitable rate ; whereas, an importation of half this quantity, when the market is *amply* supplied with home produce, must cause a ruinous depression.

one half, and struck off fifty millions from the gross revenue\* of the agricultural classes, was the real death-blow of our prosperity, bringing in its train a fall in wages and in the price of all other commodities, and a consequent diminution of profit and income to every class of the community.

The common remark is, that the low price of agricultural produce could not have been *generally* injurious; because, what the farmer and land-owner lost, the consumer gained. But this reasoning will satisfy those only un-

\* By gross revenue, I mean the revenue of all classes immediately connected with agriculture, including the wages of labourers, &c. &c.; which revenue—if we consider that our annual consumption of wheat alone is twelve millions of quarters, — that the price of wheat fell at least thirty shillings per quarter, and all other agricultural produce (of which the value, probably, exceeds three times that of wheat) almost in as great proportion, — it must be seen, was, and has been ever since, diminished, on the lowest estimate, to the extent above stated. On this subject, see the able and unanswerable calculations of GEORGE WEBB HALL, Esq., and the Committee of the “AGRICULTURAL ASSOCIATION,” to whose arduous labours the country is so highly indebted, in the tract detailing their proceedings, p. 14.

acquainted with the prodigious influence of a great and rapid *circulation* of capital and revenue upon national prosperity, and who cannot see that a tradesman's savings in the price of flour and meat are a wretched compensation for the loss of the profit derived from thriving agricultural customers. In a heavily taxed country, every great fall in the price of *any* staple commodity, caused by the competition of untaxed foreign articles, must be *generally* injurious; and if the price of corn in 1814 had kept up, while all the woollen, linen, silk, lace, &c. &c. manufacturers had been ruined by a repeal of the protecting duties, the injury would have proportionally extended to agriculture.

That the poor should call for cheap bread, was very natural; though they are now pretty well convinced that dear bread and high wages are vastly preferable to cheap bread and parish allowance. But it is passing strange that enlightened political economists should not have seen, that if prices and every one's income were diminished one half, while the interest on the national debt remained the same, this debt became, in effect, *as clearly*

*doubled* as it was partly extinguished by a rise in prices. This debt it was (as in 1815 I distinctly pointed out\*) that formed the grand peculiarity in our situation, and by which all our measures should have been most cautiously regulated; and yet, strange to say, almost the whole of our plans have been framed on doctrines that left this anomaly, unexampled in the history of the world, entirely out of contemplation.

Many persons will object, that not low prices, but this very national debt, is the cause of our misery; and doubtless, in *one sense*, it is; as but for it, low prices would not have been so injurious. But, in speaking of a disease, it seems both more rational and more correct, to refer it to its proximate remediable, rather than to its remote irremediable cause. So, if a man is attacked by a disease from which there is a moral certainty that a medical application would relieve him, but to which, from a prejudice against the remedy, he will not submit, we *may* say, that

\* See the concluding pages of the following tract on the Corn Bill.

the disease killed him ; but all correct thinkers would agree that the neglecting to adopt the remedy, was the real cause of his death.

Call our national debt, if you please, a *wen*. This wen is too intimately connected with the main blood-vessels to admit of the surgeon's knife ; but experience has proved, that if the patient be amply supplied with stimulating food (high price) he can not only exist in other respects in high health, but that from the absorbents (to use another medical analogy) being called into action, the size of his excrescence may be more effectually diminished than by any other means.\* What folly, then, to withdraw the stimulus, and reduce him to plain fare ; which, if it do not kill

\* No one can be a more sincere advocate than I am for the practice of every kind of economy (penny wise and pound foolish economy excepted) by the Government ; but there seems no solid ground for expecting that any *possible* savings, which the most sanguine calculator does not imagine could reach ten millions a-year, could have any material effect in improving our condition, while thirty millions *must still* be paid for the interest of the national debt especially after we have seen that the taking off taxes to the amount of above fourteen millions per annum, though accompanied by an increase of one-half in the amount of our foreign trade, has been followed by nothing but increasing distress.

him outright, must render him a miserable spectacle of debility and disease !

The distress which the low price of agricultural produce originated, has been consummated by the unwise measure of obliging the Bank of England to pay in specie ; which, by inducing it to contract its issues, and call in its small notes, and by imposing distrust on the operations of all the country banks, has suddenly and unnaturally diminished our circulating medium, and thus very materially increased the evil.\* At the *present* period,

\* Since writing the above, I have been incidentally told by a shop-keeper (without having made any enquiry on the subject) that the neighbouring country banks are now (April 3. 1822.) contracting their issues of notes by every means, and refuse to discount the most unobjectionable bills, however short their date. And how could it be otherwise ? Could not our "long-sighted" politicians have seen that with so *heavy a stamp-duty* absorbing most of their profits, (which is a consideration whose importance Mr. SYMMONS's able letters in the *Sun* first pointed out to me) it could never possibly answer for country banks to be at the expense of keeping a considerable stock of gold by them, which, when their notes circulate *freely*, they must do, in order to guard against sudden runs ? And thus the reduction of country bank notes will probably equal or exceed that of Bank of England notes. It is easy to *say* that gold will replace these withdrawn notes, and so it may in Lon-

this measure was, on every supposition, unwise. But to recur to specie payments at *any* time, and *at all*, when we have so fully proved that we can prosper better without them, appears to me nearly as absurd as it would be in France and Germany to abolish their specie circulating medium, (of the *convenience* of which, as contrasted with paper, a four months' tour on the Continent in 1815 afforded me many *delightful* examples,) and revert to barter. And for what have we incurred this additional misery, this sacrifice of convenience, and the enormous expense of buying gold to the amount of so many millions, in order to substitute it for paper? Simply to ensure the impossibility of an over-issue of notes! which is about as wise as if a man were to resolve to tear his food with his fin-

don: but *how*, and *when*, in the country? *Who* is to bring it if the country banks do not? and they are wiser. The new silver coinage has now been issued five or six years; and it may be had at the Mint to any amount; and yet in all the remoter parts of the kingdom that I have visited, there is *at this day* quite a *scarcity* of silver coin. This fact speaks volumes as to the difficulty of replacing a withdrawn circulating medium, and as to the ruinous effects which its unnatural contraction in the mean time (independent of any excess of supply, which I do not believe to exist) may have upon the price of agricultural produce.

gers, lest he should chance to cut himself while using a knife. Any over-issue of their notes by country bankers, though so much talked of, is, in fact, fully as impracticable, while they are obliged to give Bank of England paper for them, and while the use of paper money is so much economised, that every petty grocer has an account open at some banking house, and does not keep 5*l.* more by him than his daily payments require, as when they are forced to pay in gold. Ask any country banker, and he will tell you, that in *either* case no more notes *can* be kept in circulation than that circulation requires; and if he were so weak as to think he could lend money freely because he paid the borrowers in his own notes, he would soon be cured of his folly by seeing them all brought in before a week had elapsed, by neighbouring bankers' clerks, and having to give Bank of England notes, or, what is the same thing, a short-dated bill on London, for their amount. No over-issue *can* take place but by the Bank of England; and it is singular if some plan of preventing this could not be hit upon. To all useful purposes it might effectually, by submitting the Bank's operations to a board of controul, composed of



members of the House of Commons, half ministerial, half opposition; to whom it should be given in charge, whenever the exchanges and price of bullion indicated any redundancy of paper money, to institute the necessary enquiries and limitations.

But suppose, at the end of twenty years, or of any given period, that, in spite of every precaution, Bank paper (as measured by the price of bullion) were to be depreciated by over-issue, two, or three, or even five per cent.; of what consequence would be the fall in foreign exchanges, (always a mere bugbear, and of no moment any way to a great agricultural country like Britain) and the slight loss of annuitants and stockholders?—the only results that would ensue. Every valley, says the proverb, has its hill; every convenience has its attendant inconveniences: but is it wise, *therefore*, to deprive ourselves of important advantages; and say, we will not avail ourselves of one of the greatest discoveries of modern times — that gold may be advantageously, *wholly* dispensed with as a circulating medium, *without* necessarily causing a depreciated (or, at any rate, a materially depreciated) currency, — (as our example from

1815 to 1820 most fully proves,) because it may be abused?

But political economy is the only science in which experiment is still scouted, and occult qualities, and unproved dogmas, are allowed to usurp the place of facts and experience.

HUME, and (I think) ADAM SMITH, laid it down, that if the national debt increased to two or three hundred millions, it must ruin us. It increased to upwards of eight hundred millions, our prosperity all the while increasing. Yet all *sound* political economists still firmly believe in the ruinous effects of national debts.

Every one but myself asserted, that it was our foreign commerce that produced our riches and prosperity during the war. Since the peace, this commerce has been one half greater than it ever was, while poverty and misery have followed in its train; and the Property Tax Returns have proved that the agricultural class contributed more than *thrice* as much to the state (and had consequently a

revenue more than *thrice* as great) as *both* the manufacturing and commercial classes of every description *united*.\* Yet what disciple

\* The documents proving these facts, which so triumphantly make good all my positions as to the perfect insignificance of our commerce, or even our manufactures for home consumption, when compared with our agriculture, had not been laid before the House of Commons (or at least, I was not aware of their existence) when my pamphlet on the Corn Bill was published; and I was, consequently, deprived of this unanswerable addition to my arguments. I beg to refer the reader, who wishes to become more intimately acquainted with these data, which ought to be indelibly engraven on the memory, and constantly present to the mind of every one who would form a correct judgment as to the sources of our wealth, and the respective claims of the different classes of the community to protection, to Sir JOHN SINCLAIR'S very valuable tract "On the State of the Country in December, 1816," in which is given an analysis of the Property Tax Returns. It was my intention, had not my ill health prevented, to have investigated this subject somewhat more minutely than Sir JOHN SINCLAIR'S object required him to undertake, by publishing observations on the new and very curious facts in political economy presented by the detailed abstract of the Property Tax Returns, printed about eight years ago, by order of parliament, in one volume folio, which my revered and lamented friend, Sir JOSEPH BANKS (who, in an able *MS.* letter to the EARL OF LIVERPOOL on the corn question, in 1815, with a copy of which he honoured me, predicted our present sufferings from low prices,) was so good as to point out to my attention, and send me. So little is political economy a science of *fact* and

of the economics of the *Edinburgh Review*, especially if he have read the elegant memoir of Mr. Watt, attributed to Mr. JEFFREY, in which the *Steam Engine* is asserted to have “fought the battles of Europe” during the war, and now pays the interest of the national debt! will not contend tooth and nail that foreign commerce is the grand source of wealth?

And, in like manner, though our experience for the past five years (if not before) has amply proved that a circulating medium wholly of paper may exist without any (or at all events a very slight) depreciation of currency, we are still called upon by all “long-sighted” economists of *the true school*, to act upon the refuted position of their absolute incompatibility.

No man estimates more highly than I do, the general soundness of the doctrines of

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*experiment*, that while the press groans with volumes of hypothesis, this, the most important statistical document which the world ever saw, and the most to be relied on, has not, as far as I know, excited the slightest attention, and is by very few known even to exist.

ADAM SMITH. But it is notorious that many positions are true in the abstract, which are utterly false when applied to particular cases and circumstances. Of this description are the so often-repeated axioms, as they are called, — that all monopolies are injurious ; — that trade should always be left to find its own level ; — and that every country should buy at the cheapest market, whether at home or abroad. If all countries had abstained from forcing industry ; if they would all agree to act on these doctrines ; and if all countries had equal or compensating advantages of climate, soil, &c. : or if all countries formed one great empire that had but one interest, and it was indifferent which part prospered the most : — then these positions would be as strictly true as they are absolutely false, in the actual state of the countries of Europe ; which, from ages of restrictions, different degrees of taxation, opposing interests, &c. &c. are wholly in an *artificial* state, incompatible with a natural and simple regimen, and can prosper only on a system of exclusions.

Take, for example, the case of Sweden. If the cheap corn of Poland be allowed a free

competition at all times with the produce of her soil, it is self-evident that her agriculture must continue to languish, as at present, when her farms do not average thirty acres each, nor their produce, from deficiency of manure, a quarter per acre; and she has no possible means of becoming a manufacturing country. But if the king of Sweden, profiting by the experience of Britain for the past twenty-five years, so pregnant with instruction to the unprejudiced political economist, would, first, abolishing the East India Company and other absurd *internal* restrictions on trade, give to his farmers, as well as his manufacturers, (except in severe scarcities) a monopoly against foreigners, and thus ensure them high prices; and then, while he provided an abundant (though not as at present, depreciated) paper currency, stimulate industry by moderate augmentations of her national debt, not wasted on other countries in war, but judiciously employed at home in loans of capital, so much needed by every branch of Swedish industry, or in making roads and canals, draining, swamps, &c.\*;—he might eventu-

\* See *Britain Independent of Commerce*. — Note on the National Debt.

ally, and at no distant period, force into a state of Chinese cultivation almost every forest and hill; fill his kingdom with thriving manufacturers; have a tenfold more extensive commerce than at present\*; quad-

\* The notion that a country cannot have an extensive trade, unless it can manufacture *cheaply*, is as unfounded as all the rest. No one doubts that it can always *buy*, and thus have an *import* trade, if it possesses wherewith to pay for its purchases. But how, it will be asked, could Sweden have this power, with a paper currency, and manufactures rendered dear by having been *transmuted* from dear corn? I answer, just in the same way as we contrived for twenty years during the war, though without a guinea, to spend many millions annually more than any *natural* demand for our manufactures could have paid for — by *spending at all events*; and thus turning the exchanges against us, until the Continental merchant could afford to import our goods, and sell them nominally at or below prime cost, getting an ample profit by the exchange. “But what a ruinous system!” Not at all. Did it ruin *us*? If a rich man can afford to spend 500*l.* a year in wine, is it of any *actual* consequence to him whether he gets five pipes or only four for this sum? And, in like manner, the only *real* effect upon a country, whose dear manufactures are forced abroad by an unfavourable exchange, is, that while its manufacturers get *home prices* for their exported products, and are thus as much encouraged as if the demand were ever so *natural*, the consumers of imports have to make up the difference by paying a higher price for imported commodities; and, as in a rich agricultural country, the greater part of these imports are luxuries, this is of no importance whatever. Of what influence on our real pros-

rupture his population and revenues; and, when he had done, laugh at his retrograding archetypes, who, rather than abate one jot of their adherence to ADAM SMITH, magnanimously resolve to ruin themselves.—You may say this would be an *unnatural* system; but what then, if the effect sought were gained, and no ill consequences followed? and most certainly none *need* follow. If a man *will* expose his forced vines to a January's frost, (which is precisely what we have been doing in suffering *low price* to occur in a system like ours) what can he expect? But there was no *obligation* on him thus to act the idiot. But I must restrain myself from pursuing this

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perity and happiness would it be, if, for the twenty millions we annually throw away (and wisely, as we can so well afford it,) on wine, spirits, tea, tobacco, &c. &c., we got only three-fourths of the quantity we now get? In order, however, to act on this system, a *paper* currency is indispensable; which is alone a sufficient reason why a country, whose products are rendered dear by taxation and monopoly, and which has, besides, an extensive trade, should wholly banish gold from its circulating medium. There would be no insurmountable difficulty in guarding against over-issue and depreciation, if *accurate* accounts of the value of exports and imports were kept; and the disappearance of the silver coinage might be obviated by making the difference between its nominal and real value equal to any probable fall in the exchange.



train of ideas, and hasten to conclude these remarks, by suggesting what seem to me the most feasible remedies for our distress. These are,

1st. A temporary loan of three or four millions, to relieve the pressing difficulties of the agricultural class, which seems preferable to either buying up corn, or granting a bounty on exportation; which are both liable to great objections.

2d. The clearing the country of its redundant population, which machinery, vaccination, the peace, and low prices, have created, by facilitating *emigration* in every shape, not by paltry grants of 50,000*l.* or 60,000*l.*, but by devoting to this object one or two millions annually, taken from the sinking fund. Granting that Mr. Malthus is right, the *world*, happily, is not *full yet*; and while the Romans, and even the Goths and other barbarians, had the sense to send out swarms when their hives were crowded, are we, with our boasted intelligence, our religion, our wealth, our means of transport, to stand

stock still, as though paralysed, and suffer our poor, who long, by tens of thousands, to try their fortunes in distant regions, to languish in misery until this *check of population* has (in the present fashionable phrase) reduced "the supply to the demand?" Are we to go to war, and spend in the first and every succeeding year, while it lasts, twenty or thirty millions, if France or America choose to insult us; but hesitate whether we shall spend two annually, for a short period, in diffusing prosperity and happiness at home? Are we to incur, without scruple, the expense of conveying *thieves*, however numerous, to New Holland, but shrink from it in taking thither, or to less distant colonies, our virtuous poor? And are nations for ever to persist, and we amongst the rest, in the folly of squandering money to their injury in war, but grudge spending it to their benefit in peace?

3d. The taking the maintenance and employment of the poor entirely into the hands of Government, or rather of a public board, under checks which might easily be devised

to prevent undue influence and jobs\*, on one comprehensive, uniform, and well-digested *system*; fixing the annual sum to be paid by each parish, at what it has averaged for the past five or ten years, and any future increase or diminution in the same ratio; entirely repealing the law of settlements, and thus doing away all law expenses and restrictions on the free internal circulation of industry; employing part of the poor in keeping all the roads, bye-roads included, of the kingdom, (which ought also all to be taken into the hands of Government, or rather of the "Poor Board," after compensation to their present trustees) in the most perfect state possible; and the remainder in establishments on the *practical* part of Mr. Owen's plan, which would admit of giving comfort to the aged and infirm, employment to the industrious, and of forcing the idle to work.

After mature consideration of my own

\* Such as the election of the principal officers by a board of public men, half ministerial, half opposition, and of the subordinate ones in the different districts and parishes by ballot, canvassing either by themselves or their friends being made to disqualify the candidates, who should be restricted to a *printed* statement of their claims.

former doubts on the subject, I am far from joining in the unqualified objections so generally urged against the poor-laws; which I not only think have been much more useful than injurious, during the last thirty years, by stimulating population and production, but which, next to the institution of the Sabbath, (by which the poor man gains seven days' food for six days' labour, and nearly two months of relaxation every year, and which, from the beautiful simplicity of the means, and the extent and benevolence of the effects, is, to my mind, one of the strongest internal evidences, of the divine origin of the Jewish dispensation) I deem to be the noblest provision towards any practicable equalization of the condition of rich and poor, ever devised. And, as an Englishman, I am proud that my country is the only one in the world where every poor man is born, not only to the inheritance of Freedom, but of a contingent Patrimony; and can marry, and practise the virtues, and enjoy the happiness, resulting from early marriages, without anxiety for the future; knowing that if employment cannot be had, or sickness assail him, and exhaust his little savings, (which no poor-laws would

deter a *well educated* poor from aiming to lay up,) he can by law *claim* from the rich a portion of their good things, and need in no event dread that he or his children should perish with hunger. For, whatever Mr. MALTHUS may say, God and Nature intended that early marriages should take place, *at least* until the *earth* be "*replenished,*" and every inch of ground cultivated to the utmost; before which period, *we*, at all events, with the colonial worlds, (as the Cape and New Holland may be called) that Providence has put into our hands, as if to repeat the command, "*replenish them,*" need not torment ourselves with devising checks. This equalizing effect was probably not in the contemplation of the framers of the poor-laws, but it has happily grown out of them; and the disappearance of that feeling of supposed disgrace in receiving parish relief, which some so much deplore, is, I think, not ill succeeded by the present feeling of the poor, equally remote from any thing abject, that though the laws of nature, and the good of society, require that the many should be poor and the few rich, the poor have a *just claim* on their more fortunate brethren for such a

share of their wealth as will at least ensure their existence when their own efforts fail.

As at present administered, the poor-laws are, doubtless, productive of much evil ; but this is because they are not *well* administered — because there is no *system*. Can any man believe that the prodigious sum spent annually on the poor in this country might not suffice, if judiciously expended, to diffuse happiness and content amongst the poor, as well as to afford a requital of convenience to the rich, who pay it? Does it not excite one's laughter to think that the inhabitants of London (and a similar remark is applicable in degree to every town and village in the kingdom) pay annually some hundred thousand pounds to maintain the poor, and keep thousands of them in absolute idleness; and yet rather than be at the trouble and small additional expense of putting into their hands brooms and watering-pots, they are content to trudge in dirt in winter, and be suffocated with dust in summer; and that we pay millions annually to poor who cannot get work, while our roads alone want these millions expending on them to make them

in every respect what they ought to be? Want of system, and our foolish plan — just like all plans in which *cheapness* is made the main object — of expecting unsalaried officers, annually changed, under the titles of overseers, constables, &c. to act efficiently, are destructive with us of more than half the good effect of three of the most important objects of any state — the maintenance of the poor, of excellent roads in *every* direction, and of an efficient police; and in none of these are the evils more glaring than in the present bungling, litigious, and wasteful plan, of each parish taking the entire management of its own poor: towards reforming which, (certainly not the work of a day nor a year) the first step ought to be the offering premiums by Parliament of 5000*l.* or 10,000*l.* for the simplest and best mode of bringing the whole under one uniform and practicable system, and thus ensuring the full attention of men of talent to the subject. No one who knows that such an establishment as the British Post Office exists, and who is aware of the stupendous multiplicity and complexity, and yet clock-work regularity of its movements, will doubt

the *possibility* of systematising the management of the poor.

4th. The thorough revision of the corn laws, including a more equitable plan of taking the averages, so as to secure the maximum price to the inland districts ; the abolition of the present most injurious system of allowing foreign grain to be warehoused here\* ; and a great abbreviation of the period of the ports being open when prices rise : and the imposition of high protecting duties on *all* agricultural products that can be raised at home.

5th. The immediate re-enactment of the Bank Restriction Act ; the transactions of the Bank being subject to constant parliamentary controul ; and this establishment being made annually to pay to the public, as is perfectly just, a sum equal to one-half or two-thirds of what can be shown it is likely to gain by be-

\* For an able statement of the depressing effects of this system on the price of grain, see Mr. SYMMONS's excellent letter (signed J. S.) on Agricultural Distresses, in the *Sun* of March 14. 1822.



ing released from the obligation to pay in cash. This entire return to a paper currency, for a reason stated at the close of the note on the compatibility of dear manufactures, and an extensive commerce (p. xxx.), I think preferable to the half measure of obliging the Bank to give bullion for large amounts of its notes only. If our prices rise to their due rate, our manufactures will become dearer; and, though they will *most certainly* be exported to a *greater* amount than ever, in consequence of the increased ability of our agricultural and manufacturing consumers to purchase *imports*, yet the *primary* result would probably be a fall in the foreign exchanges (not from a depreciated currency, but, as in the war, from buying more than we sell, *until* the exchanges force a sale), which would render any plan of paying bullion by the Bank impracticable.

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THESE are the plans of cure for our distresses, which I take the liberty to suggest; and though aware of the risk run in assuming the prophetic character, I will venture to predict, that if all or the principal of them be

adopted, wealth, prosperity, happiness, and content will as surely follow, as increasing poverty, misery, and disturbance will continue to be our lot, (whatever be the increase of our commerce, or the reduction of our taxation, short of the entire extinction of the interest of the national debt,) if they be neglected. In one word — the re-establishment of *high price*, (not of corn merely, but of wages and commodities generally, which will soon follow that of corn) or the application of a *sponge* to the *national debt*, are, if we wish for a return of prosperity, in my humble opinion, our *only* alternatives: and can any wise or honest man hesitate which ought to be preferred?

## ADDITIONAL NOTES.

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*Note referring to p. xvii. l. 7.*

THE fifty millions, in fact, struck off from the revenue of the agricultural classes, were not so much *paid* by the other classes, as simply *lent* or *advanced* by them, to be returned again before the year's end into their pockets doubled at the compound interest which the rapid and reiterated circulation of this vast sum produced to all classes, annuitants and stockholders excepted. It is taking a very contracted and incorrect view to look only at the mere extra demand for manufactures, &c. of the land-owners, tenants, and agricultural labourers, who received this fifty millions in the first instance, as a single example will show. Suppose, since 1814, the two former of these classes to have spent (as is probably much below the truth) 300,000*l.* less per annum than they did in former years, in new coaches, gigs, and other carriages for pleasure. It is not that the class of coach-makers simply get 30,000*l.* or 45,000*l.* a-year less profit, and that the loss stops there; but all the tradesmen, amongst whom this revenue was spent by the coach-makers, suffer in a similar proportion; and all those, again, amongst whom the profits of these tradesmen from this now exhausted source circulated; and so on, in endless ramifications.

But we need not be surprised at the limited views which are generally taken on this subject, when such deplorable ignorance respecting the *sources* and the effect of the *circulation* of revenue prevail, that even statesmen talk of the stocks and houses *producing* revenue, because stockholders and owners of houses *derive* an income from these sources, and contributed to the property-tax; and cannot perceive that a surplus net revenue of only fifty millions from the soil, may, by innumerable transfers, be multiplied before the year's end into an apparent revenue, amongst all classes, of two hundred millions.

He who would see distinctly into this subject, must leave *money* out of view, and conceive of it, as it in fact is, as a mere medium for facilitating *barter*. All will then be clear, especially if he will set his pen and head at work on the following little arithmetical *questions*, which, though not to be found in Cocker, may, if followed up, lead to as important results as any there.

1st, If 100 land-owners received each 200 quarters of wheat as part of the rent of their land, to how many quarters would their aggregate income of wheat amount?

2dly, If each paid ten quarters to a clothier for working up his wool into cloth; ten quarters to a tanner for tanning his hides; ten quarters to a shoemaker for making him shoes; and the same quantity to a divine, physician, lawyer, tutor, drawing-master, music-master, and dancing-master, respectively; of how many quarters would the income of each of these consist? and how many would the united incomes of all amount to?

3dly, If each of the above ten manufacturing and professional individuals paid annually one-fourth of his income, or 250 quarters of wheat, for the rent of his house, and 250 quarters more to government for taxes, what

would be the total amount paid by them to the owners of houses and to government?

Lastly, From what SOURCE would the 35,000 quarters of wheat, to which the *united* incomes of land-owners, manufacturers, professional men, house-owners, and government, would amount, have been *actually* derived? and how much of the whole would be *original* or *created* revenue, and how much *transferred* revenue?

*Note referring to p. xxiii. l. 16.*

To obviate the objection which may be started, of its being contrary to justice to retain a currency by which *any* diminution of the value of the property of annuitants and stockholders is even *possible*, I must observe, in the first place, as to the past, that the majority of these classes *lent* their money when our currency was probably depreciated to the extent of from two to five per cent., and, possibly, to the extent of from seven to eight per cent., though not further; (see page xi.) and consequently it is an act of infinitely greater injustice to the other classes of the community to return to a specie currency, by which the stockholders and annuitants are sure to get more than is their due, than it is to the latter, to continue a paper currency, from which there is a possibility, merely, of their being paid exactly on the terms on which they lent. And, secondly, that *in future* there could be no injustice to any one, when it was previously distinctly known, that a man who invested his property in money, ran some risk of having it slightly lessened, in the course of years, by a possible (though not desirable nor certain) depreciation of the currency. During the latter period of the war, while our prices were yearly rising from taxation and agricultural monopoly, every man

of common sense knew, that if he permanently invested his property in the funds or on mortgage, it must go on annually depreciating something in value; but he had no right to talk of injustice; he acted with his eyes open; and this loss was the premium that he paid for being released from the trouble and risk of employing his property in those sources of income which kept pace with the rise in prices.

Here, too, (having omitted this most weighty consideration in its proper place) I would ask, What was the reach of mind, or rational foresight, displayed in adopting, at such cost and sacrifice, a system of specie currency, when every well-informed member of Parliament knows, that **IT MUST IN TURN BE ABROGATED THE VERY FIRST YEAR OF A NEW WAR BREAKING OUT?** It is obvious to the plainest understanding, that a *permanent* system of paper currency, which, though it may be liable to some inconveniences, has stood the test of more than twenty years; which has never yet been *proved* to have been depreciated, at any time, ten per cent.; and which it is notorious has not been depreciated three per cent. the last five years; — is infinitely preferable, both from motives of policy and good faith, to a childish see-saw or jack-in-a-box system of a specie currency in peace, and a paper currency in war, to be alternately substituted for each other, every three or four years, if we come to have short intervals of war and peace: for if the **CHANCELLOR OF THE EXCHEQUER** be challenged to lay his hand on his heart, and say if he *believes* that a war with France could be carried on two years without re-enacting the Bank restriction act, he must answer **NO.** Is it not enough, then, to trumpet our self-inflicted poverty through the world, but we must also bind ourselves, hand and foot, as a temptation for insults?

**BRITAIN**  
**INDEPENDENT OF COMMERCE ;**

OR,

**PROOFS,**

DEDUCED FROM AN INVESTIGATION INTO

**THE TRUE CAUSES**

OF

**THE WEALTH OF NATIONS,**

THAT

**OUR RICHES, PROSPERITY, AND POWER,**

ARE DERIVED FROM

**SOURCES INHERENT IN OURSELVES,**

AND

**WOULD NOT BE AFFECTED, EVEN THOUGH OUR COMMERCE WERE  
ANNIHILATED.**

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**SEVENTH EDITION.**

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**“When the affairs of the society are once brought to this situation, a nation  
may lose most of its foreign trade, and yet continue a great and powerful people.”**

**HUME.**

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**LONDON. 1808.**

**“LET IT BE REMEMBERED, THEN, THAT AGRICULTURE IS THE IMMEDIATE SOURCE OF HUMAN PROVISION; THAT TRADE CONDUCTS TO THE PRODUCTION OF PROVISION, ONLY AS IT PROMOTES AGRICULTURE; THAT THE WHOLE SYSTEM OF COMMERCE, VAST AND VARIOUS AS IT IS, HATH NO OTHER PUBLIC IMPORTANCE THAN ITS SUBSERVIENCY TO THIS END.”**

**PALEY.—MORAL PHILOSOPHY, p. 476.**



# BRITAIN

## INDEPENDENT OF COMMERCE.

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**B**UONAPARTE, agreeably to his usual custom of heaping abuse upon those he cannot seriously injure, as the most cutting appellation, which his Billingsgate common-place-book presented to him, has given us the title of a nation of shopkeepers. He judged rightly, that we should be more indignant at such an appellation, than if he had called us a nation of knaves, or of fools; for, though the age of chivalry be gone, and other professions than that of arms are now deemed honourable, still there is something contemptible attached to the idea of trade, which makes those engaged in it, willing enough to have their occupation kept in the back ground. Yet though we affect to be offended with this title, our words and our actions evince, that we are neither willing nor able to deny, that it is given to us with justice. Out of a hundred persons with whom you converse, ninety-nine will maintain, that all our greatness is derived from our commerce, and that our ruin will be inevitable when it declines in any great degree. And such opinions you will hear, not only from the ignorant vulgar, not merely from the manufacturer, or merchant, whose individual interest naturally inclines him to such a belief, but from the man of literature and science, from the proprietor of land, from the statesman. When our enemy threatened us with invasion about two years since, and had more leisure for giving a colour of reality to his

threats than he has now, it was common to hear those who disbelieved that he would make the attempt, reason in this way; — “ Buonaparte knows what he is about. He will never invade us; but by putting us to vast expense in precautionary preparations, and at the same time, by stopping up almost every channel of our commerce, he is aware that he is doing us the most serious injury possible, and if he succeeds in cutting off our trade, God knows he will soon effect our ruin.” We see, too, the deep-rooted influence of this opinion, in the rapture with which we hail any new opening for our commercial speculations. Thus, the recent conquest in South America has been valued, not on account of any military glory which we have gained by its capture, not because its acquisition has done any serious injury to our enemy, but because the vivid imaginations of all ranks of people, picture in its possession an extensive mart for broad cloth and for hardware. It would be endless to cite examples of the importance attached to our commerce by our statesmen. If we examine any of their speeches on the prosperity of the nation for fifty years past, we shall find them constantly dwelling with the greatest exultation on the amount of our imports and exports; and in every enumeration of national wealth, placing commerce in the foreground.

Now it must be confessed, that all this anxiety for trade seems to justify the obnoxious title which our adversary has given us; for they, who regard the acquisition of new customers as the greatest good, and the loss of old ones as the greatest evil, that can befall them, it must be allowed, are considerably imbued with the true spirit of shopkeeping. Yet, although my countrymen have not the art to conceal how much they are influenced by the groveling notions derived from the desk and the counter, it would be a libel upon them not to presume, that their ideas of the importance of trade are founded upon a conviction of their truth; a conviction

which is painful to them, and which they have adopted with reluctance. Certainly no very pleasing reflections can occupy the mind of that Briton, who is impressed with the belief, that his country's greatness, the high rank she at present holds amongst nations, and her eventual existence, depend on circumstances, which it is in the power of a thousand accidents to render unfavourable to her. Every day brings to his view fresh evidence of the precarious footing on which our commerce rests. The idea, which a few years ago would have been laughed at, that any man could acquire the power of shutting the whole Continent against our trade, is now realized. Already all the Continent is subject to the mandates of our enemy, or implicitly subservient to his views. America, too, one of the principal of our customers, has merely suspended her prohibition of our commercial intercourse with her, and loudly threatens positive hostility; so that we are nearly excluded from the two most important quarters of the globe. Even if Buonaparte were by some favourable occurrence obliged to give up his scheme of excluding us from the Continent, and our disputes with America be compromised, still the idea is most humiliating and distressing, if our commerce be really the source of our vigour, of our very life, that the continuance of this commerce is dependent on events wholly out of our power to control, and such as are more likely to be against us than in our favour.

There can be no doubt, then, if such be the painful nature of those opinions which resolve our greatness into our commerce, that all those who hold such opinions, would be highly gratified to have their fallacy proved to them. They would doubtless be rejoiced to have it convincingly made out, that our greatness is independent of our commerce, and that our glory and our prosperity need not suffer diminution, even though we had infinitely less trade than we have. Even our merchants and our manu-

facturers, much as they are individually interested in the continuance of commerce, as patriots, must listen with satisfaction to any arguments which should set their minds at rest, as to the stability of our wealth and our power. And surely the proprietor of land, of funded property, indeed all who are not individually interested in the continuance of trade, would be delighted, if they could be convinced, that their country, and the stake they have in it, are independent of the threats of an emperor, or the caprice of a republic; and that though Europe and America, Asia and Africa, were to resolve never more to use an article of British manufacture, still this favoured isle has the means within herself, not merely of retaining the high rank which she possesses, but of progressively going on in her career of prosperity and of power.

The author of these pages has long been satisfied, that the importance of our commerce has been greatly overrated; he has long indeed been convinced, that the wealth we derive from it is nothing; that the utility of by far the greater part of it is to be resolved into its power of procuring for us certain luxuries, which we could do very well without, and in exchange for which we give much more valuable necessaries; and, consequently, that our riches, our greatness, and our happiness, are independent of it. These convictions, however singular and unconformable to the public voice, have been sources of great mental gratification to him. While his fellow-countrymen have heard the news of the shutting up of a port against us with terror and dismay, and have regarded our exclusion from commerce with Hamburg, with Holland, and with Italy, as the almost sure precursor of national ruin, he, persuaded of the fallacy of these fears, has looked upon these events with indifference; and has rather been inclined to pity the poor inhabitants of the countries, who are prevented from buying our manufactures, than us that are hindered from selling them.

Such being his sentiments, he is desirous of laying the grounds of them before the public; to the end, that tried by such a touchstone, their truth, or their error, may be made apparent; wishing, if the former, that the diffusion of just ideas, on an important subject, may lead his countrymen to more manly views of their independence; and if the latter, that his own erroneous notions may be rectified, and that no longer buoyed up by the delusions of indifference, he may sympathize with the hopes and fears of his fellow men.

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IN investigating the present subject, it will be necessary previously to inquire into the opinions which have been held relative to the real sources of wealth and prosperity to a nation, and we shall then be able to apply the results deduced from such an examination to our own case. And, in the first place, the meaning of the terms, wealth and prosperity, must be settled; for, if the reader were to take these words in their usual acceptation, if he were to conclude, that by the first is meant gold and silver merely, and by the latter extensive dominion, powerful armies, &c. he would be affixing to these terms meanings very different from those which are here meant to be annexed to them, and ideas, which, however common, are founded in error. Spain has plenty of gold and silver, yet she has no wealth; while Britain is wealthy with scarcely a guinea: and France, with her numerous conquests, her extended influence, and her vast armies, is probably not enjoying much prosperity; certainly not nearly so much as we enjoy, though we have far less influence, and much smaller armies than she has. Wealth, then, is defined to consist *in abundance of capital, of cultivated and productive land, and of those things which man usually esteems valuable*. Thus a country where a large proportion of the inhabitants have accumulated

fortunes; where much of the soil is productively cultivated, and yields a considerable revenue to the land-owner, may be said to be wealthy: and on the contrary, a nation where few of the inhabitants are possessed of property, and where the land is badly cultivated, and yields but little revenue to the proprietor, may be truly said to be poor. Britain is an example of the first state, Spain and Italy of the last. A nation may be said to be in prosperity, *which is progressively advancing in wealth, where the checks to population are few, and where employment and subsistence are readily found for all classes of its inhabitants.* It does not follow, that a prosperous nation must be wealthy; thus America, though enjoying great prosperity, has not accumulated wealth. Nor does it follow, that because a nation possesses wealth, it is therefore in a state of prosperity. All those symptoms of wealth which have been enumerated may exist, and yet a nation may, in prosperity, be retrograding, its wealth may be stationary, its population kept at a stand, and the difficulty of getting employment for those who seek it, may be becoming greater and greater every day.

Such being the meaning affixed to the terms wealth and prosperity, let us inquire what are their sources.

The political economists who have investigated the sources of wealth, may be divided into two great classes\*; of which one may be termed the mercantile sect, and may be considered as including almost all the authors who have written on this subject, as well as almost all who talk upon it: the other, the agricultural sect, the principles of which, though as old as Aristotle, were first systematically promulgated

\* I do not, in this place, advert to the opinions of Dr. Adam Smith; because, though he regards commerce as productive of some wealth, he values it infinitely below both agriculture and the home trade. Indeed, as a writer in the *Edinburgh Review* (vol. iv. p. 357.) has justly observed, "The principles of Dr. Smith clearly carry him to the theory of the Economists; and in order to be consistent, he ought, unquestionably, to have reckoned Agriculture the *only* productive employment of capital or labour."

by Mons. Quesnai, and others, in France, who have been generally known by the name of the French Economists, and who have had at any time but few followers.

The mercantile sect contend, that commerce and manufactures are by far the greatest, if not the sole sources of wealth, and for proofs of the truth of this opinion, they refer you to Tyre, Carthage, Venice, Holland, — states, which, by their commerce, with very little territorial possession, attained acknowledged wealth; — and to those who are actively engaged in these employments, to the merchant and the manufacturer, whose riches are proverbial. Impressed with this conviction, this sect has consistently advised the most active encouragement of commerce and manufactures, by every means possible. In behalf of the former, it has procured monopolies, restrictions, or bounties, as seemed best likely to answer the end; and in favour of the latter, it has even been thought politic to oppress the agricultural branch of industry; and in this country the farmer has for a very long period been prohibited from exporting his wool, to the end, that the manufacturer might purchase it on terms lower than what might be obtained from other nations.

The agricultural sect, or the followers of the French Economists, on the other hand, maintain, that the only source of wealth to a nation is agriculture. They deny that any wealth is derived from the fabrication of manufactures, and they allow but little to be derived from commerce; and in support of these singular opinions, they thus reason: The farmer, say they, out of the produce of the land which he cultivates, besides maintaining his family, pays to the owner of his land a net surplus, under the name of rent. This surplus must be regarded as clear profit; for it remains after every expense attending the cultivation of the land is repaid, and is, in fact, a new creation of matter which did not before exist. Now it will be seen, that no

such surplus, or net profit, attends the labour of the manufacturer. Though he certainly must be allowed, by means of his industry, to add considerably to the value of the materials he works upon, yet this value is not greater than the value of his subsistence, during the time he has been employed in adding this additional value; and whatever profit may be drawn by the sale of such manufactures, will be found merely to be a transfer of property from one to another, and in no case to add to the sum of national wealth. This may be made evident by the consideration of an illustrative example: A lace-maker, for instance, may, by means of a year's labour, convert a pound of flax, worth one shilling, into lace worth ten pounds. In this case, says the disciple of the mercantile sect, the nation is richer by this man's labour, to the amount of the additional value conferred upon the flax. Through his industry, nearly ten pounds have been added to the wealth of the nation. But this the economist denies. The lace manufacturer, he says, must, during the year he was employed in manufacturing his lace, have drawn his subsistence from somewhere; and as in all countries the labouring class derives but a bare subsistence from its labour, he must in this period have consumed a quantity of food equal in value to ten pounds. Thus, then, we have gained lace worth ten pounds; but food has been expended to the same amount, so that no profit has been the result of this manufacturing industry. All that can be conceded in favour of the manufacturer is, that he has fixed or transmuted the value of a perishable article into one more durable. He has converted ten pounds' worth of 'corn into ten pounds' worth of lace. Even if we suppose that the master manufacturer, he who furnishes subsistence to the labouring manufacturer, of whom we have been speaking, until his work was finished, were to affix to this lace an additional value of 5*l.*, if he were to sell it for 15*l.*, still this would be no creation of wealth to the nation; for precisely



what he gained, the consumer of the lace would lose; a transfer of wealth, therefore, not a creation of it, would ensue. If he, to whom the lace was sold, had bought it for 10*l.*, the exact price which it cost, he would then have been richer by the 5*l.*, which, on the contrary supposition, would have gone to the master manufacturer; but it is plain, the nation would not have been less wealthy, in consequence of 5*l.* being in one man's pocket, rather than in that of another. The same reasoning is applied by the Economists to every species of manufacture, the increased value of which, they contend, may in every case be resolved into the subsistence of the labouring manufacturer, and the profit of his employer.

Foreign commerce is of two kinds; commerce of import and of export. Whatever a nation imports, it pays an equivalent for, to the country of which it is purchased: whence, then, say the economists, springs any wealth from this branch of commerce? But, inquire the disciples of the mercantile sect, do not those who import goods, sell them for more than they give for them, and is not their profit an increase of national wealth? The economist replies, No; for in this case, as in that of the master manufacturer, whatever is gained by the merchant, is lost by the consumer of the articles he deals in; and whether he sells for a profit or for none, is indifferent as to its effect on the wealth of the nation. If a merchant imports sugar, for which he has given 1000*l.*, it is plain that the wealth of the nation is not increased by having 1000*l.* worth of sugar, rather than so much money, or so much of any other article that may have been given for it. So far, then, no profit attends this traffic. And if the importer sells his 1000*l.* worth of sugar for 1100*l.*, is it not self-evident that this 100*l.* is derived from the consumers of this article? Whatever is his gain, is their loss, and the nation would have been just as wealthy if the sugar had been sold at its original cost.

On the principles of the economists, however, though it may be with truth denied that any national wealth is derived from commerce of import, it must be allowed that national wealth may be derived from commerce of export. The profit of the exporter, above what the articles exported have cost, it must be granted, is, in some cases, so much profit to the nation ; yet they contend, that a very small proportion of the wealth of any nation, possessed of extensive territory, can be derived from this source, since the utmost profit which can be supposed to be gained on the exports of the most trading nation, is trifling when compared with its actual wealth. Britain, which exports more than any other country ever did, does not value her exports at more than fifty millions annually, from which there cannot possibly be more than ten millions' profit derived ; a mere trifle in the wealth of a nation which every year pays upwards of six times as much in taxes.

Such being the opinions of the French economists, it necessarily follows, that they should earnestly recommend to governments, the encouragement of agriculture above all other branches of industry. They do not absolutely advise the discouragement of manufactures and of commerce ; yet, as they place these so low in the scale of causes of national wealth, they consider their existence as being of small importance, and that a country may attain the greatest possible wealth and prosperity, where both are nearly unknown.

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IN these varying opinions of the commercial and agricultural sects, there seems to be some truth, and some error, on both sides ; yet an attention to the facts on which the economists build their system, stripped of the intricacy which attends every inquiry into matters of political economy, in consequence of

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the custom of estimating the value of every thing in money, will probably show, that they are correct in deducing all wealth from agriculture, though they may have erred in the practical application of their system, at least, to the circumstances of European nations.

That the examination into the truth of the opinion of the French Economists, that agriculture is the only source of wealth, may be rendered as simple as possible, let us inquire what would take place in a country constituted much in the same way as this country is; where there should be a class of land proprietors, a class of farmers, and a class of manufacturers, but where there should exist no money of any kind, no gold, silver, or paper, in fact, no circulating medium whatever. In such a society, the land proprietor must receive his rent in kind, in corn, cattle, or whatever may be the produce of his land; and all transactions between man and man, must be carried on by the medium of barter. However inconvenient such a state of society might be, it may be very well conceived to exist, and has, indeed, existed in a great degree, at one period, even in our own country. In a nation so circumstanced, though part of the subsistence of the manufacturing class would be drawn from the farmer, from the profit which would remain with him after the maintenance of his family, and the rent of his landlord were deducted, yet by far the largest portion of their subsistence, it is evident, must be drawn from the class of land proprietors; from that surplus produce paid to them under the denomination of rent. It will, therefore, in a still greater degree simplify our illustration, if we suppose, what will in no respect influence the accuracy of our reasoning, that the *whole* of the subsistence of the manufacturing class must, in such a state of society, be derived from the class of land proprietors.

From this system results such as the following would ensue: the competition which would neces-

sarily take place amongst the class of manufacturers to dispose of their articles to the land proprietors, would restrict the price of these articles, as is the case at present, to a quantity of provisions barely necessary to replace the subsistence of the manufacturer, whilst he had been employed on them. This being the case, all the articles which the manufacturer might fabricate in the course of a year, would, by the end of that year, be in possession of the land proprietors, in exchange for provision. All the food which the class of land proprietors had to dispose of, would, by the industry of the class of manufacturers, be transmuted into various articles of use, or of luxury: and these remaining and accumulating with the former class, it would in time heap up great wealth, by this successive and constant transformation of its riches. None of this wealth, however, could with truth be said to have been brought into existence by the manufacturer, for, as the land proprietor had given in exchange for the produce of the manufacturer's labour, an equal value in food, which no longer remained in existence, all the merit which could justly be conceded to the latter, would be his having transmuted wealth of so perishable a nature as food, into the more durable wealth,—manufactures.

But it may be asked, would not the master manufacturer draw from the land proprietor, as the price of his articles, a greater quantity of food, than he had advanced to his labouring manufacturers employed in their fabrication? We may grant, that this would be the case, still, whatever might be the amount of this surplus, even were it considerably more than was necessary for his own subsistence, no wealth would be brought into existence by his profit. The master manufacturer might indeed acquire riches, by an accumulation of such profits, yet the whole of his gains would be at the expense of the land proprietors, and no addition would be made to the national wealth. An example will demonstrate this: If a coachmaker were to employ so many men for

half a year in the building of a coach, as that for their subsistence during that time he had advanced fifty quarters of corn : if we suppose he sold this coach to a land proprietor for sixty quarters of corn, it is evident that the coachmaker would be ten quarters of corn richer, than if he had sold it for fifty quarters, its original cost. But it is equally clear, that the land proprietor would be ten quarters of corn poorer, than if he had bought his coach at its prime cost. A transfer, then, not a creation of wealth, has taken place ; whatever one gains, the other loses, and the national wealth is just the same. This illustrative example will apply to every imaginable case, of the sale of manufactures fabricated and sold in our supposed society, however complex the operations they might pass through, or how many soever the number of hands employed on them. In every instance, their price would resolve itself into the amount of the food consumed during their fabrication, by the labouring manufacturer, and into the profit of the master manufacturer ; the former, we have shown, is merely a conversion of one sort of wealth, into another sort of the same value, and the latter is in every case a transfer of wealth, merely, from the pocket of the buyer to that of the seller.

It may be inquired, by those who are so dazzled with the wealth gained by the manufacturer in this country, " Would he on such a system as we have imagined, acquire wealth as he does now ? for if he did not, if all the wealth of the country remained with the land proprietor, this supposed state of society would be very different from the one we witness, where so many manufacturers are rich, and so many proprietors of land, poor." This query has been in part answered already, as the admission has been made, that the master manufacturer would demand a profit on the articles he had caused to be fabricated, and it is clear, that by an accumulation of these profits, he would acquire wealth. At the same time, it is not difficult to perceive, that in a society

without a circulating medium, as in a society with one, many of the class of land proprietors would be always poor. There would be found there, men whose love of grandeur and of pleasure, would lead them to spend more than every grain of their income in kind, as there are men found here, whom the same motives cause to spend more than every guinea of their revenue in money.

If the foregoing observations have convincingly shown, that in a state of society in which every transaction should be carried on by barter, all the wealth of such a nation would be created by agriculture, none by manufactures, there will not be need of further argument, to prove to the philosophical enquirer, that the very same results must take place in a society where a circulating medium is made use of. Yet as there is an idea prevalent, that the employment of a circulating medium materially affects the creation of national wealth, it will not be amiss to examine this subject a little further.

The circulating medium of civilized nations, is either gold and silver, or paper. Gold and silver are undoubtedly wealth, yet they are but a small portion of what has properly a claim to that title; and a nation which has abundance of gold and silver, is, in fact, not richer than if it had none. It has paid an equal value of some other wealth for them; and there is no good reason why it should be desirous of having this, rather than any other species of wealth; for the only superiority in value, which the precious metals possess over other products of the labour of man, is their fitness for being the instruments of circulation and exchange. But, in this point of view, the necessity of having gold or silver no longer exists. Experience has in modern times evinced, that paper, or the promissory notes of men of undoubted property, form a circulating medium, fully as useful, and much less expensive. No one will pretend to say, that the wealth of Great Britain consists of gold and silver, because every one knows,

that these metals do not form a tythe of her circulating medium; yet multitudes will maintain, that this circulating medium, composed chiefly of paper, is a portion of national wealth. No position, however, can be more false than this. If gold and silver be but the representative of wealth, much more is all the paper in circulation but the representative of wealth, the shadow, not the substance, nay, in many cases, it is the representative of nothing,—the shadow of a shade. When the Bank of England coins a million of pounds worth of notes, does it issue them without receiving an equal value for them, or, at any rate, without having security for the amount? And when a swindling country banker, without fortune, has persuaded the surrounding country to take his notes in exchange for real property, do not his deluded customers find, to their cost, that these notes are not wealth, but merely the representative of the wealth of which they have been duped? If all those who have any paper-money in possession, were to demand to be paid its value, would they be content to be paid in other paper? Would they not say, Give us gold or silver, or if you have not these, divide your property, your land, your houses, your merchandize amongst us?

Thus, then, whatever is the circulating medium, whether it be gold and silver, or paper, or both, being but the representative of wealth, there can be no difference, as to the sources of wealth, between a nation which has, and one which has not, a circulating medium; and consequently wealth can be created by the same branch of industry only in one as in the other. Whether the manufacturer receive the price of his manufacture in food, or in money, with which he purchases food; whether he sell his articles directly to the land proprietors, or to any other class in society: whatever be the complexity of transactions, resulting from the intricacy consequent upon a circulating medium; if the whole be fairly analyzed, and every thing traced to its source,

it will in every case be found, in the most refined, as in the most barbarous state of society, that agriculture is the great source of national wealth, manufactures merely a transmutation of wealth of one description, into that of another.

The grand axiom, then, of the Economists is undoubtedly founded in truth. It remains to be examined, whether the application, which they deduce from it, be equally accurate. Believing agriculture to be the grand source of wealth, they advise, that the utmost encouragement should be given to it; and they recommend, that as many as possible of the manufacturing class, in those countries where manufactures abound, should become cultivators. In the natural order of prosperity in a state, they contend, that agriculture produces manufactures, not manufactures agriculture. Hence, they say, until every acre of waste land be cultivated, and every field managed in the most productive mode, it is advisable, that manufactures should be but slightly attended to.

That these opinions, however plausible, are not correct; that this advice, however apparently consistent, is not, in every case, judicious, the following considerations will serve to show. There can be no doubt, that it is the interest of those countries, where land is so cheap as to be purchased, or rented, for little or nothing, to devote their chief attention to agriculture; and America will be wise to import her manufactures for a century to come. She certainly needs not, at present, the stimulus of manufactures to encourage her agriculture. The case, however, seems very different with respect to Europe, and an attention to facts will prove, in opposition to the opinion of the Economists, *that in Britain, agriculture has thriven only in consequence of the influence of manufactures; and, that the increase of this influence is requisite to its further extension.*

The greater part of Europe, and Britain amongst the rest, has been formerly subject to the feudal



systems. On this system, the king was considered as the proprietor of the soil. This he divided amongst his nobles, on condition of their performing certain military services; and they again subdivided their portions, distributing part amongst their vassals, who were bound to attend them in their warlike undertakings, and retaining what they deemed sufficient for their own wants. That part of the soil retained by the lord, which was near home, was cultivated by the *Villeins* for his immediate use and benefit; and such lands as were at a distance, were committed to the management of the *Ceorls*, or peasants, on condition of their yielding up a portion of the produce as rent. At this period, manufactures, as a separate branch of industry, were not known. The few articles necessary in such a rude state were fabricated by some individual of the family which wanted them, and the class of manufacturers had no existence. In such a state of things, agriculture must have been in an extremely unimproved condition. The vassal, who was entitled to the whole produce of his land, not having the means of disposing of any surplus, could have no inducement to raise more corn than his own family required; and the *Villeins* and *Ceorls*, by whom the food consumed by the household, and the retainers of their lord, was produced, having no motive for exertion, would naturally content themselves with the inefficacious processes of their forefathers, and raise not one grain more than they could help. Indeed, the fact, that at the period of which we are speaking, an acre of the best land was not worth more than four sheep, abundantly proves the wretched state of agriculture. Neither could any wealth be accumulated in such a state of society. For as there was no class of manufacturers, to convert, by their labour, the produce of the earth into more durable wealth, all the surplus food brought into existence one year, was consumed before the next by those most unproductive

of all the members of society, a crowd of menial servants, and of military retainers.

This system of things continued for some centuries, and it is probable would have been in existence in a great degree even at the present moment, had it not been for the fortunate occurrence of an event, to which may, in truth, be attributed all our wealth and greatness; and to which, it is not exaggeration to say, we are indebted, that we are not now as ignorant and as oppressed as are those where this event has not yet taken place. The occurrence to which I allude, was the establishment of a new and distinct class in society — the class of manufacturers. It is not to be supposed, that this event took place all at once, or that it happened in consequence of some edict or resolution of any part of the community: it was brought about gradually, by the operation of various causes: principally, perhaps, in consequence of the invasions to which Britain was then subject, which introduced, from the Low Countries, and the more civilized parts of Europe, manufacturers of various new articles of use or of luxury.

The results of the institution of this new class of society, were most important. Man is naturally selfish. The lords and land proprietors embraced with eagerness the opportunity offered to them, of devoting the surplus revenue which they were accustomed to consume in supporting a crowd of dependents, to the purchase of manufactures of convenience, or of elegance, for their individual gratification. To enable them to attain an abundant share of objects, from their novelty so attractive, it was necessary that their surplus revenue should be as large as possible, and that it should be in money. Hence, they were willing to let to the *Villeins* and *Ceonls*, for a fixed sum of money, the land which the former had been accustomed to cultivate wholly for their benefit, and the latter to occupy, on condition of paying them a rent of the greatest part of its

produce. When once these grand events, the establishment of a class of manufacturers, and the substitution of a fixed rent in money, for an uncertain one in kind, were brought about, improvements in agriculture advanced with rapid strides. The farmer having now a market for his produce, and the power of enjoying, without interruption, any profit he might make, would be stimulated to redoubled exertion. He would be desirous of cultivating as much land, and of rendering what he cultivated as productive, as possible. Wealth would now begin to accumulate. The produce of the earth, which was before dissipated by an unproductive tribe, which left behind it no vestige of a return for its consumption, would now be converted into permanent and durable wealth, by the manufacturing class; which has the great merit of always returning an equal value for the subsistence it consumes. Affairs being thus arranged, prosperity would attend every branch of the community. The increasing population of the manufacturing class would require more land to be cultivated, and thus employment would be provided for the additional population of the agricultural class, which would consequently be enabled to give greater rent to the land proprietors. These last, again, would acquire increased power of providing employment for the manufacturing class, and thus of affording its members the means of increased consumption.

Without entering into the consideration of many other beneficial and highly important effects which resulted from the operation of this system, such as the formation of privileged towns, the reduction of the arbitrary power of the nobles, and the consequent spread of liberty and of science, I think, it is sufficiently obvious, from the reasoning which has been used, that the extension and improvement of agriculture has, at least in Britain, depended upon the influence of manufactures, and consequently, that the tenet of the Economists, that manufac-

tures are a consequence of improved agriculture, not improved agriculture of manufactures, is, when considered as an universal doctrine, founded in error.

The truth of this opinion will be still more evident, if we attend to the facts which the other nations of Europe, all of which were originally under the same feudal system, present to us. We shall find, that all those countries which have abounded in manufactures, have been extensively cultivated, and have in course become rich; while, on the other hand, those nations which have few manufactures, in which the class of manufacturers does not exist as a separate class in society, have made but small progress in agriculture, and are comparatively poor. Thus, the Netherlands, where, probably, manufactures were first established in Europe, after the darkness of the period consequent upon the destruction of Roman civilization began to dissipate, have been always celebrated for their extensive agriculture; in their minute attention to which, they may be said to rival the Chinese, having converted the whole country into a garden. France, too, has long had numerous manufactures, and as she produces sufficient food for her vast population, must be tolerably cultivated. On the contrary, in Russia, Portugal, and Spain, which are dependent upon other nations for the bulk of their manufactures, agriculture has made but little progress, and these nations are far from being wealthy, notwithstanding the extent and fertility of their soil.

But, not only are the Economists in error, in denying, that improved agriculture is the effect of manufactures: their opinion, that the wealth of nations, constituted as those in Europe are, is to be increased by attending chiefly to agriculture, and by extending the farming, even at the expense of the manufacturing class, is equally incorrect. The Economists say, it would be much more to the interest of a country, if the greater part of those

who are now employed in manufacturing articles of luxury, were to become cultivators of the earth; and they contend, that while a waste acre remains in any country, it would be better that its inhabitants should engage in its cultivation, than in any manufactures whatever. A very slight examination of this doctrine will show its fallacy.

It has been already admitted, that, in countries like America, where land is to be had for almost nothing, where, in some districts, the farmer lives by *consuming* the whole produce of his farm, not by *selling* it\*, and where from others, an extensive export of the produce of the soil is carried on, it is advisable that the chief attention should be directed to agriculture, and so long as they can get manufactures from other nations, in exchange for their corn, they will best promote their interest by neglecting the former, and cultivating the latter product of labour. But the case is very different with respect to Europe. In this part of the world, all the soil is private property, and not an acre of it can be had for the purpose of cultivation, without paying rent for it. The farmer must derive this rent from the sale of his produce. Now, to whom is he to sell this produce? Certainly not to the class of land proprietors, which is a very small class in point of number, and consumes but a small portion of the food raised from the soil. To whom, then, can he look for the sale of that part of his produce which is to pay his rent, but to the class of manufacturers? And if it be from the manufacturing class, that the farmer is to derive his rent, it will follow, that whenever this class is supplied with a quantity of food sufficient for its wants, it will be impos-

\* The general object of farming here (Kentucky), is not the same it is in England. Here a man proposes to live by his farm *directly*; there it is *indirectly*: that is, he raises wheat, barley, stock, &c., for sale, consuming but a small proportion in his own family; here he raises almost every thing, with a view to family consumption; even his clothing is made at home, and he sells no more than what will serve to buy him salt, and a few other articles. — Letter from Mr. H. Toulmin, dated Frankfort, Kentucky, 28th June, 1802, in *Monthly Mag.* v. xxii. p. 427.

sible for a single acre additional to be cultivated. It is not enough for the farmer to raise a sufficiency of food for his own family; he has to raise a surplus produce, which must be converted into money for the payment of his rent. But how can he dispose of this surplus, if there be already as much food produced, as there is a demand for? An extension of cultivation, then, cannot take place without a corresponding extension of demand for the products of cultivation; and this demand can only arise from an increase in the class of manufacturers. To apply these remarks to Great Britain: It is calculated, that, in this kingdom, there are twenty-two millions of acres of waste land; and it is frequently asked, by the followers of the Economists, as well as by those who are of a very different opinion on matters of political economy, why this waste land is not brought into cultivation, and why such a source of riches as this is neglected. For this very good reason; that the greater part of this land, with the present demand for, and the present prices of, the produce that could be raised from it, would not pay for cultivation. Every person who has had occasion to let land, knows, that there are many more farmers wanting farms, than there are farms to supply them; and this being the case, it follows, indisputably, that if the waste land in the kingdom could be profitably cultivated, it would speedily be occupied by these farmers who so eagerly seek employment for their capital. But until, in consequence of an increased demand for the products of agriculture, arising from an extension of the manufacturing class, the price of this produce is sufficiently advanced to leave a profit on the cultivation of land at present suffered to lie waste, any considerable portion of this land cannot be brought into cultivation without great loss. The cultivation of our waste land is gradually taking place, in the only way in which it can take place, and in consequence of the same causes which have effected the high state of cultivation in which the greater

part of Britain now is; I mean, by the natural increase of the numbers of the manufacturing class. In proportion as the population in this class augments, an increased quantity of food is required; and when the competition arising from this demand has gradually and permanently raised the price of the produce of the earth, then, and not until then, the land which now lies barren will be cultivated. Indeed, there does not seem any other practicable way than this, by which agriculture can be extended in a country where the best portion of the soil is already cultivated, and where the whole is private property. Even America, though it may now be wisdom for her not to meddle much with manufactures, yet if her population continues to multiply for another hundred years, as rapidly as it has done, will need the influence of a class of manufacturers to push the cultivation of her soil still further.

The Economists seem to have been led into considerable error, by not properly distinguishing between the wealth and the prosperity of a state; for these terms are by no means synonymous. A nation may, as has been before observed, be very prosperous without being wealthy: and, on the other hand, may be very rich, without enjoying prosperity. If the question were, on what system may the greatest prosperity be enjoyed by the bulk of society, there can be no doubt, that the system recommended by the Economists, which directs the attention of every member of society, to be turned to agriculture, would be the most effectual to this end. But such a system could be efficaciously established in Europe, in no other way, than by the overthrow of all the present laws of property, and by a revolution, which would be as disastrous in its ultimate consequences, as it would be unjust and impracticable in its institution. This system could be acted upon only by the passing an Agrarian law; by the division of the whole soil of a country, in equal portions, amongst its inhabitants. Let us attend a moment to the re-

sults which would ensue from the establishment of such a system.

If the twelve millions of inhabitants of Great Britain were to have the seventy-three millions of acres of land which this island is said to contain, divided amongst them, each individual receiving six acres as his share, there can be no doubt that the condition of the great bulk of the people would be materially improved. Such a quantity of land would suffice for the production of "meat, clothes, and fire," of every thing necessary for comfortable existence; and the peasant, no longer anxious about the means of providing bread for his family, might devote his abundant leisure to the cultivation of his mind, and thus realize, for a while, the golden dreams of a Condorcet or a Godwin. Yet, however great the prosperity of such a state of society, it would be impossible for it to accumulate wealth. For, as all its members would provide their own food, there could be no sale for any surplus produce, consequently no greater quantity would be raised than could be consumed; and at the end of the year, however great might have been the amount of the wealth brought into existence during that period by agriculture, not a trace of its existence would remain. Nor would the prosperity of such a state of society be of long duration. In a nation where such plenty reigned, the great command of the Creator, — "increase and multiply," would act in full force, and the population would double in twenty-five years. Supposing, then, this state of things to continue, in seventy-five years from its establishment, Britain would contain ninety-six millions of souls, a number full as great as could exist on seventy-three millions of acres of land. Here, then, misery would commence; the difficulty of procuring subsistence would be greater to the whole of society, than it now is to a small proportion: population would be at a stand, and on any occasional failure of food, all the dreadful con-



sequences would ensue, which so frequently befall the over-peopled country of China.

If I have been successful in showing that the application which the Economists make of their grand axiom, that all wealth is brought into existence by agriculture, is, notwithstanding the indisputable truth of that axiom, erroneous. It will be obvious, from what has been said, that agriculture and manufactures are the two chief wheels in the machine which creates national wealth; but, that of these two (at least in states constituted as these of Europe are), it is the latter which communicates motion to the former. In consequence, however, of the monopoly of the soil, which has been introduced by the feudal system in this quarter of the globe, the motion of these wheels is, with us, unnaturally made dependent upon a moving power, without which the machine would act but very imperfectly. This moving power, this mainspring of the machine, which has been already hinted at, but which it will be necessary, in investigating the true causes of national wealth, to consider more fully, is the class of land proprietors.

The members of every civilized society, similarly constituted with those of Europe, may be divided into four classes; the class of land owners, — of cultivators, — of manufacturers, which includes those only who, by their actual labour, convert raw produce into manufactures; — and the class to which, for want of a better name, we may give Dr. Adam Smith's title of the unproductive class. This last class includes all not comprised in any of the three former, all those who neither cultivate the earth, nor receive rent for a part of it; nor convert, by their labour, their subsistence into fixed and permanent wealth; all those, in short, whose services, as Dr. Smith expresses it, perish at the instant of their performance, and leave no tangible trace of their existence. This class includes some of the most necessary and honourable, as well as the most useless and despicable, members of society. It comprises the defender of his country; the teacher of religion, or of

science; the distributor of justice; the members of the professions of law and physic; the merchant; all those who derive their income from the interest of money, whether on public or private security; the tribe of menial servants; the actor; the buffoon; and all who contribute to the mere amusement of mankind. Inasmuch as this last class consumes the produce of the earth, it is plain that its extent and its increase influence the promotion of agriculture, in the same way that the extent and increase of the class of manufacturers do; the great difference between these classes is, that while the latter replaces the food consumed by it, in some tangible commodity; the former leaves no such visible and material trace of its expended subsistence.

As it has been shown that the whole revenue of a country (deducting an insignificant portion sometimes derived from foreign commerce,) is derived from its land, and as the class of land proprietors are the recipients of this revenues it is evident that from this class\* must be drawn the revenues of the two other classes of society, the manufacturing and unproduc-

\* Part of these revenues will be drawn from that portion of the whole which the farmer, besides the subsistence of his family, will retain; but as it greatly simplifies the argument, I have considered the land proprietors as the receivers of the whole revenue derived from the land, after the deduction of the subsistence of the farmer. This supposition does not in the least affect the truth of the conclusions to be drawn from the reasoning made use of; for though as the true rent of the land is the value of the surplus remaining, after the subsistence of all those occupied in producing it has been deducted; and as the greater part of this surplus goes to the class of land proprietors, it is more simple to regard this class as the recipients of the *whole* surplus; yet it is clear, inasmuch as the members of the class of cultivators retain a part of this surplus as their profit, that, with respect to this profit, they stand in the place of the class of land proprietors, and consequently, that the reasoning applied to the latter class on this head, will equally apply to them. The class of farmers may thus be considered, with relation to the net *profit* they make, as belonging also to the class of land proprietors, in the same way as the farmer, who cultivates his own land, must be considered as belonging to both classes. Except we bear this consideration in mind, we shall not form a right estimate of the net revenue derived from land. Many land proprietors, whose estates have been let on long leases, or who choose, from various motives, to let them much below their real value, do not receive half the rent which is derived from lands in the neighbourhood. In such cases, the farmer may sometimes be receiving more net revenue from his land, than the proprietor does, and therefore occupies the place of the latter, whom we may, nevertheless, for the sake of greater simplicity, conceive as receiving the whole.

tive classes. It is, in consequence of the demand of these two last mentioned classes, that the wealth brought into existence by agriculture is produced, but, as these classes do not themselves create revenue, and as they cannot consume, without being possessed of revenue to pay for the objects of their consumption, it is indisputable, that their revenue, their means of purchasing the produce of the earth, must be derived from the only source it can be drawn from, the class of land proprietors.

It is a condition, then, essential to the creation of national wealth, in societies constituted like those of Europe, that the class of land proprietors, expend the greater part of the revenue which they derive from the soil. They are the agents, through whose hands the revenue of the society passes, but in order that wealth and prosperity should accrue to the community, it is absolutely necessary, that they should spend this revenue. So long as they perform this duty, every thing goes on in its proper train. With the funds which the manufacturing and the unproductive classes appropriate to themselves, from the expenditure of the class of land owners, from supplying the members of this class with the various objects of necessity, or of luxury, which their desires, whether natural, or factitious, require, they are enabled to purchase the food which the farmer offers to them. The farmer being enabled to dispose of his produce, acquires the funds necessary for the payment of his rent, and thus the revenue again reverts to the land proprietor, from whom it was in the first instance derived, again to be expended, and again to perform the same duty of circulation.

That the extension of the wealth of a society depends on the yearly expenditure of the revenue which the land proprietors derive from its soil, will be still more evident, if we consider what would be the result, if this class of society ceased to expend. Let us make the supposition, that fifty of our great land owners, each deriving 20,000*l.* a year from his

estates, which they had been accustomed to spend, were to be convinced, by the arguments of Dr. Smith\*, that the practice of parsimony is the most effectual way of accumulating national riches: Let us suppose, that, patriotically induced by this reflection, they resolved not to spend, but to save, the 1,000,000*l.* which their revenue amounted to. Is it not self-evident, that all those members of the manufacturing and unproductive classes, who had, directly, or indirectly, been accustomed to draw the revenue destined for their subsistence, from the expenditure of this sum, would have their power of consuming the produce of the earth diminished, by the whole amount of this 1,000,000*l.*? And, if so, it follows, that they would be obliged to submit to food, both less in quantity, and deteriorated in quality. The farmer, consequently, could not sell so much of his produce, nor at so good a price, as before, and thus he would be incapable of paying the rent, which he had been accustomed to pay, and, in the end, the land proprietors would be as much injured by this saving scheme, as any of the other classes of society. Let it not be urged, that as this supposed sum would not be hoarded, (for misers, now a days, are wiser than to keep their money in strong boxes at home,) but would be lent on interest: It would still be employed in circulation, and would still give employment to manufacturers. It should be con-

\* There is a singular vagueness and confusion in the whole of Dr. Smith's reasoning, relative to the different effects of prodigality, and parsimony upon national wealth. (Wealth of Nations, Bk. II. ch. iii.) His arguments seem to be intended to maintain, that fresh capital may be profitably employed, in manufacturing goods which nobody will buy: for, certainly, no purchasers could be found for the goods brought into existence by the employment of new capital, if all the members of the society were to convert the greater part of their revenue into capital. Dr. Smith's errors on this head, appear to have resulted from his inattention to the fact, which, in one part of his work he has admitted, that the revenues of every branch of the society, must be derived from the soil. If he had been aware of this truth, he must have seen, that however necessary it may be that some part of the community should add to their capitals by parsimony, the performance of this duty does in no wise attach to the great distributors of revenue, the land proprietors.

sidered, that money borrowed on interest, is destined, not for expenditure, but to be employed as capital; that the very circumstance of lessening expenditure, decreases the means of the profitable employment of capital, and, consequently, that the employment of the sum alluded to as capital, would in no degree diminish the hardships of those who had been deprived of the revenue derived from its expenditure.

If parsimony be the most effective mode of increasing national wealth, certainly, then, this nation would be much richer, if the whole of its class of land proprietors, who receive, at least, seventy, perhaps one hundred millions\* annually, as the rent of its soil, were to follow the example of Mr. Elwes, and live on hard eggs and a crust of bread, not spending more than 100l. or 200l. a year. But a single glance is sufficient to show the direful ruin which would at once ensue, from taking such a sum from the annual expenditure, and at the same time making such an addition to the capital of the country. If the land proprietors received their rent in kind, the most superficial thinker must allow, that unless they spent it, that is, bartered it for manufactured articles, or gave it away, all the members

\* It is impossible to ascertain, with any great precision, the amount of the revenue derived from land in this country. Though the Tax-office, in receiving the Property Tax, distinguishes between the sums levied on lands, and on the profits of trade, &c. no very near approximation to the truth can be obtained.—I shall, perhaps, be excused for remarking in this place, that the gross amount of the Property Tax, by no means points out the real revenue of the country; for, in the greater number of cases, the tax is paid *twice* upon this revenue, which is consequently, in fact, much less than what it would seem to be, by estimating its amount at ten times the sum of the gross tax. Since the whole revenue of the manufacturing and unproductive classes, upon which 10 *per cent.* is paid, is drawn from the revenue of the class of land proprietors, upon which also 10 *per cent.* has previously been paid, it is clear, that, in most cases, the government receives, not 10, but 20, and some times even 30 *per cent.* on the real income of the nation. In many instances, this is abundantly evident. A land proprietor, who pays 500l. a year for the rent of a house in London, has already advanced 10 *per cent.* on this sum, but the owner of the house also pays 10 *per cent.* on the rent which he receives, and which becomes a part of his revenue; so that 20 *per cent.* is, in fact, paid on this amount. A physician, or a lawyer, who draws to himself an

of the manufacturing and unproductive classes must absolutely perish with hunger. But what difference in the case is caused by the use of a circulating medium? none whatever. Money is employed for the purpose, merely, of transferring the produce of industry from one to another, with greater facility. This "wheel of circulation," as Dr. Smith calls it, or "oil which lubricates the wheel," according to Mr. Hume's designation, is this year given by the manufacturing and unproductive classes to the class of land proprietors, in exchange for food; but, if the latter do not repay it before the next, in return for manufactured produce, or services of some kind, the former classes will no longer have the means of purchasing subsistence, and the machine of society must be broken up.

It is clear, then, that expenditure, not parsimony, is the province of the class of land proprietors, and that it is on the due performance of this duty, by the class in question, that the production of national wealth depends. And not only does the production of national wealth depend upon the expenditure of the class of land proprietors, but, for the due increase of this wealth, and for the constantly progressive maintenance of the prosperity of the community, it

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income of 2000l. a year from the revenue of other individuals of society, on which the property tax has been already paid, obviously pays this tax, on a revenue which has been taxed once before. The law has provided, that the tax shall not be twice paid on incomes derived from interest of money, or from an annuity. But the revenue of a physician, or a lawyer, is as certainly drawn from other revenues, which have already paid the tax, as if it were derived from the interest of money, or an annuity. The only difference between the cases is, that the annuitant, or receiver of interest, has a *right* to draw his revenue from *one* person, while the physician, or lawyer, draws his income from *many* persons, who are *not obligated* to transfer it to him. Every one must allow, that the property tax is twice paid on the 25,000,000l. which is annually advanced for the payment of the interest of the national debt: first, by those who have advanced this sum by paying out of their revenue, taxes to this amount, on articles of their consumption: and next by the stockholders, who a second time pay 10 *per cent.* on this sum. And if it were as easy to trace, with clearness, the origin of the profits of a merchant, or manufacturer, it would be equally found, in every such case, that the property tax had been previously paid on the revenue which he draws to himself.

is absolutely requisite, that this class should go on progressively increasing its expenditure. If, in consequence of the expenditure of this class, the other classes of society be in prosperity, it infallibly follows, that their population will increase. Now, how is this increased population to be subsisted, unless the class, from whom the revenue of the whole is derived, proportionably increases its expenditure? The augmented population of the manufacturing class, will demand an augmentation of food, and will readily furnish abundance of manufactures, but except a market for the sale of these new manufactures can be had, how shall it pay for the food which it requires: and in what class, but the class of land proprietors, can this market be found? Certainly not in the class of cultivators; for, however willing the new members of this class would be to provide food for the new manufacturers, they cannot exchange their produce for manufactures; they cannot exchange corn for cloth, or for hardware, but for the circulating medium in which their rent must be paid. It is from the class of land proprietors, that this circulating medium, this money must be derived, and so long as this class increases its expenditure in proportion as the population of the other classes augments, universal prosperity will result to the whole. So long as the class of land proprietors purchases the new articles of use, or of luxury, which the new manufacturers will offer to sale, these last will be enabled to create an effective demand for the produce of the earth. This demand will, in course, raise the prices of food; thus the increased population of the agricultural class will be employed in bringing into cultivation, and can now afford to pay a rent for, land, before suffered to lie waste: and, in the end, the land proprietors will receive back again, in an increase of rent, the sums which they in the first instance had advanced.

Two of the consequences which result from what has been observed relative to the important part

which the class of land proprietors have to act in the system requisite in Europe, to produce the greatest possible degree of wealth and prosperity, deserve distinct mention.

1. It follows from the considerations above adduced, that, in countries constituted as this, and those composing the rest of Europe are, the increase of *luxury* is absolutely essential to their well being. Because the fall of some of the greatest and most powerful of the nations of antiquity, has been, with justice perhaps, attributed to the spread of luxury amongst them, many politicians of modern times have prognosticated, that the decline and eventual fall of Britain, would be occasioned by the same cause. But they do not consider, that there is an essential difference between the system of this country, and of nations such as ancient Rome. The latter despised the class of manufacturers; their attention was in their infancy solely devoted to agriculture and to arms, and their wealth was derived from the plunder of conquered countries, not from their own internal resources. When, in consequence of extended conquest, an accumulation of wealth was acquired by every private soldier even of their army, effeminacy took place of the active courage which had procured their riches, and they fell an easy prey to the hungry hordes of northern barbarians which attacked them. No such consequences, however, can result to nations, whose wealth is derived from their own internal resources; for, however great may be the quantity of luxuries produced by the manufacturing class, the bulk of that class, from which the army of the state must be chiefly supplied, will never enjoy more than the bare necessaries of life, and consequently cannot be enervated by the luxuries it brings into existence. Nobody will pretend, that the artizans employed in the fabrication of the most luxurious couch, or the softest velvets, will be debilitated by their manufacture, or would make worse soldiers, than if they had never made any other



than deal chairs, or coarse woollen cloth, So that luxury cannot contribute to our fall, in the same way in which it did to the fall of ancient Rome; and that its increase is necessary to our prosperity, few thinking minds will deny.

It is impossible exactly to define what are luxuries, and what necessaries; yet, a slight consideration will show, that a very great proportion of our manufacturers cannot be included under the latter title. Every one knows, that a few hundreds a year are sufficient to procure all the necessaries and comforts of life: in what, then, can the sums above this amount, which are spent by the numbers in this country, who have their 10,000*l.* and 20,000*l.* a year, be expended, but in luxuries? And as, from this consideration, it is plain, that the population of the manufacturing class, at present occupied in providing necessaries, is fully equal to fabricate all that are wanted of this description, it follows, that the additional population of this class can only be employed in the manufacture of new luxuries.

Though it is of little consequence to the physical *prosperity* of a country, in what luxuries the revenue of its land proprietors is expended, so that it be expended; yet its *wealth* will gain a greater accession, the more permanent these luxuries are; and it will be, therefore, desirable, that a taste for luxuries of this description, rather than for such as are of a transitory nature, be infused into the minds of the members of society. Thus, the *prosperity* of the country would be as much promoted, if an owner of an estate of 10,000*l.* a year were to expend this sum in employing 500 men to blow glass bubbles, to be broken as soon as made, as if he employed the same number in building a splendid palace; yet, in the latter case, a permanent and desirable addition would be made to national wealth; in the former, none at all. The 500 glass-blowers would require as much wealth to be brought into existence from the soil, would consume as much food, and would consequently be

as prosperous, as the 500 palace-builders; yet the former would leave no valuable return for their subsistence; they would, in this case, be unproductive labourers, while the latter would produce such a return, — would be productive labourers.

And as in a country, constituted as this is, the unproductive class will necessarily be very numerous; though, with respect to its enjoyment of physical prosperity, it is of no moment what its members are employed in, so that they are able to draw the funds requisite for their subsistence from the class of land proprietors; yet, in a moral point of view, it is highly desirable, that they should be occupied in ministering to the wisdom, rather than the follies, of society; in contributing to its instruction, rather than its amusement. Thus, when a nobleman keeps in his retinue fifty menial servants, this luxurious appendage of rank undoubtedly contributes to the prosperity of the country. Not only do these fifty dependents themselves enjoy the greatest abundance of food, but, at the same time, the expenditure, which their clothing, &c. occasions, contributes to the support of a proportion of the manufacturing class. Yet it is certainly much to be wished, that the place of half this retinue were filled with men who would aid the cause of knowledge and of virtue, as well as of national prosperity. It is doubtless desirable, that it were the fashion for a man of fortune to have twenty-five teachers of knowledge, or professors of science, on his establishment, and twenty-five domestics, whose services were really necessary, rather than fifty of the latter class, of whom a majority cannot find employment for their time.

2. It is a necessary consequence of the doctrines here maintained, that *all taxes, however levied, in the end fall upon the soil, and are eventually borne by the land proprietors.* If it be allowed that agriculture is the sole source of the revenue of a society, the truth of this position, which is above 2000 years old,

having been held by *Artaxerxes*\*, must be admitted. If the wealth supposed to be created by manufactures be merely a transmutation of wealth before existing, into another form, it is clear that whatever taxes may be laid upon manufactured articles, must finally be paid from the source whence these articles themselves are derived. Indeed, so impossible is it to avoid this consequence, that Dr. Smith, though in words he denied this doctrine of the Economists, and though he declined "entering into the disagreeable discussion of the metaphysical arguments by which they support their very ingenious theory," has, in fact, virtually admitted its truth. He asserts, that all revenue must be derived from rent of land, profit of stock, or wages of labour. But in the course of his investigations he admits, that no taxes are finally paid by the profit of stock; the employer of capital always shifting the burden from himself upon the consumer. He allows, too, that taxes cannot finally fall upon wages, since the wages of the labourer increase in proportion as the price of the articles he consumes is augmented by taxation. On what, then, can taxes fall, but upon the rent of land? If all revenue be necessarily derived from rent, wages, and profit, and the two latter cannot be affected by taxation, Dr. Smith, on his own premises, admits the truth of the doctrine of the Economists.†

Though, however, it is indisputable, that all taxes are finally paid out of the neat produce of the soil; and hence, that it is truly preposterous for any nation to give to foreign commerce, or even its manufactures, the merit of bearing any portion of the burdens of the state: yet, it by no means follows, that the corollary which the Economists deduce from this principle, namely, that no tax except a land-tax should ever be levied, is accurate. Reasons, which

\* See Gibbon's "Decline and Fall," 8vo. Edition, Vol. I. p. 541.

† I am indebted for this view of the coincidence at the bottom, between Dr. Smith and the French Economists, to an ingenious writer in the *Edinburgh Review*, Vol. I. p. 445.

it is impracticable, in this place, to adduce, render it doubtful, whether a direct land-tax would be advisable even in an infant state; and it is much more obvious that the intricate and artificial relations of adult societies, wholly preclude the propriety of such a tax.

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AGRICULTURE and manufactures for home consumption, then, are the only branches of industry essential to the production and accumulation of national wealth: and by the aid of these alone, a society might attain a greater portion of riches, than has yet fallen to the lot of any of those communities, where the natural operation of these causes of wealth, has been obstructed or diverted, by the absurd regulations of politicians. A country without foreign commerce, would not, indeed, possess wealth of *some* descriptions; but in nine instances out of ten, it might enjoy a much greater mass of such wealth as most contributes to the happiness of mankind, if, contented with its own resources, it bestowed its industry upon the materials which the bounty of Providence has in every quarter so liberally provided.\* Nor is this inference the result of theoretical speculation merely. We have a grand existing example, that the greatest wealth may be created without foreign commerce. CHINA has always studiously discouraged this branch of industry. "Your beggarly commerce! was the language in which the Mandarins of Peking used to talk to Mons. de Lange,

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\* This truth Bishop Berkeley was aware of, when he asked, "Whether one may not be allowed to conceive and suppose a society or nation of human creatures, clad in woollen cloths and stuffs; eating good bread, beef and mutton, poultry and fish, in great plenty; drinking ale, mead, and cyder; inhabiting decent houses, built of brick and marble, taking their pleasure in fair parks and gardens; *depending on no foreign imports for food and raiment?* And whether such a people ought much to be pitied?" *Querist*, Q. 123. And again — "Whether a fertile land, and the industry of its inhabitants, would not prove inexhaustible funds of real wealth?" Q. 40. Indeed, from various queries in this ingenious work, it is evident that the good Bishop of Cloyne was familiar with the doctrines which I have been endeavouring to support.

the Russian Envoy, concerning it." Yet CHINA has attained to a much higher degree of wealth than any European nation; though, certainly, the structure of her society, is far from being so favourable to the production of wealth as it might be. JAPAN, too, an island not much bigger than our own, has acquired vast riches without foreign trade.

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I HAVE hitherto purposely avoided other than a very slight allusion to the part which is acted by commerce in the creation of national wealth, because the investigation of this subject will be greatly simplified by being treated of separately, and subsequent to the preliminary inquiry which has been instituted. It now remains to attend to this question.

Though a nation, as has been shown, possessed of landed territory, may acquire great wealth, and enjoy prosperity by the sole action, and re-action, of manufactures and of agriculture upon each other; few countries that have made any progress in civilization, have contented themselves with these two branches of industry. From the influence of different causes, one country has produced a superfluity of something of which another has been in want, and *vice versá*; and hence, an interchange or commerce of commodities has taken place between the two. There is no question as to the *conveniences* arising from this commerce, and the reader will greatly err, if he suppose I am desirous of proving, that it would be better for the world, if there were less of it than there is. On the contrary, there cannot be a warmer advocate than I am, for its reasonable extension. But, it has been almost universally believed, that, besides being an accommodation and a convenience, commerce is the greatest possible source of national wealth. In this country, particularly, where commerce has been carried to a greater extent than in any other country of the same size,

it is the opinion of almost all its inhabitants, that its wealth, its greatness, and its prosperity, have been chiefly derived from its commerce: and that these advantages can be continued, and increased, only by its continuance and extension.

That these opinions, as far as they respect this country, are founded in truth, I cannot bring myself to believe, and I proceed to state the grounds of my conviction of their fallacy.

As all commerce naturally divides itself into commerce of import and export, I shall, in the first place, endeavour to prove, that no riches, no increase of national wealth, can in any case be derived from commerce of import; and, in the next place, that, although national wealth may, in some cases, be derived from commerce of export, yet, that Britain, in consequence of particular circumstances, has not derived, nor does derive, from this branch of commerce, any portion of her national wealth: and consequently, that her riches, her prosperity, and her power are intrinsic, derived from her own resources, independent of commerce, and might, and will exist, even though her trade should be annihilated. These positions, untenable as at first glance they may seem, I do not fear being able to establish to the satisfaction of those, who will dismiss from their mind the deep-rooted prejudices with which, on this subject, they are warped: and who, no longer contented with examining the mere surface of things, shall determine to penetrate through every stratum of the mine which conceals the grand truths of political economy.

As it will be requisite, in the course of our inquiries, frequently to make use of the word *consumers*, by which is meant, those who *finally* purchase and *make use of* the articles of commerce, it is necessary previously to observe, that though this term is applicable to all the classes in society, as every class necessarily consumes; yet, as it has been shown, that the consumable revenue of the class of manufacturers,

and of the unproductive class, is wholly derived from the agricultural class, and the class of land proprietors; it is these two last classes which are, in fact, the sole consuming classes in society. Inasmuch, however, as these two classes distribute part of their revenue to the remaining classes, and thus enable them to consume, the denomination of consumers cannot, with propriety, be restricted to the classes of land proprietors and cultivators, but must be extended to the whole community.

Every one must allow, that for whatever a nation purchases in a foreign market, it gives an adequate value, either in money, or in other goods; so far, then, certainly, it gains no profit nor addition to its wealth. It has changed one sort of wealth for another, but it has not increased the amount it was before possessed of. Thus, when the East India Company has exchanged a quantity of bullion with the Chinese for tea, no one will say, that this mere exchange is any increase of national wealth.\* We have gained a quantity of tea, but we have parted with an equal value of gold and silver; and if this tea were sold at home, for exactly the same sum as had been given for it, it would be allowed, on all hands, that no wealth had accrued to the nation from this transfer. But, because goods, bought at a foreign market, and sold at home, have their value considerably augmented by the charge of transporting them, the duty paid to government, the profit of the merchant importer, &c. it is contended, by the disciples of the mercantile

\* If by wealth be merely understood the greatest possible enjoyment of things we most desire, there can be no doubt, that, inasmuch as it is proved we have a greater desire for tea than for gold and silver, by the fact of our exchanging one for the other, we may be said to have gained wealth by the exchange: but this is not the sort of wealth which the disciples of the mercantile system contend is gained by a nation from trade. What they call wealth, is an increase of the capital, or stock of the society, not the mere exchange of one consumable commodity for another. Nor, indeed, can this definition of wealth be used, without a gross perversion of accurate language. Wealth consists in the *power* of enjoying, not in enjoyment itself. Who will contend, that a man that *spends* 10,000l. a year, is more wealthy than the miser who lives on a pittance, and annually *saves* a like sum?

system, that this increased value is so much profit to the nation; so much addition to the amount of national wealth. Thus, a quantity of tea, say they, which has cost in China 1000*l.* will, by the charges and profits which have occurred upon it, previous to its exposure for sale in England, have its value augmented to 1500*l.*, and will be sold for that sum at home. Since, then, the tea cost but 1000*l.*, and it has been sold for 1500*l.*, is not this 500*l.* an addition to national wealth? To this question, I answer, No; certainly not. There is no doubt, but the persons concerned in this transaction have gained a profit, and have added to their individual wealth. The ship-owner has added to his wealth, by the freight of the tea; the underwriter by his premiums of insurance upon it; the government has increased the revenue by the duties of customs and excise; and the East India Company has augmented its dividend by the profit gained upon this article. But, the question is, from whence have these profits of the ship owner, the underwriter, the government, and the East India Company, been derived? Have they not been drawn from the consumers of this tea; and is it not as clear as noonday, that whatever the former have gained, the latter have lost: that the latter are exactly poorer in proportion as the former are richer, and, in short, that a transfer, not a creation, of wealth has taken place? If this tea had been sold for 1000*l.*, the bare sum which it cost, would the nation have been poorer, than if it were sold for 1500*l.*? Certainly not. In this case, the consumers of the tea would have kept in their pockets the 500*l.*, which, on the other supposition, they transferred to the pockets of the ship-owner, the insurer, &c.; but the national wealth would be neither increased nor diminished.

The same reasoning is applicable to all commerce of import. In every case, the value of an article is what it has cost in the foreign market, and whatever it is sold for, more than this, is a transfer of wealth



from the consumers of the article, to those who gain a profit by it; but in no instance is there any addition to national wealth created by this branch of commerce. A gamester, who is not worth sixpence to-night, may, by to-morrow, be possessed of 30,000*l.* which he has won from the dupes of his knavery; but who would not laugh at him, that should imagine this transfer of individual fortune, an accession of national wealth? Yet this opinion might, with every whit as much justice be maintained, as that the honourable profit of those concerned in importing articles of merchandize, is a creation of national riches.

The arguments made use of to show, that no national wealth is derived from commerce of import, will serve also to prove the absurdity of their notions, who talk of the importance of such and such branches of commerce, because of the great duties which are levied on them at the custom house or excise office. Such reasoners will insist upon the vast value of our East India trade, because of the three or four millions which the public revenue derives from the duties imposed on the articles imported from thence. They do not consider, that all such duties are finally paid by the consumers of the articles on which they are laid; and that these consumers are equally able to pay the sums they advance, whether or not they consume the articles on which they are levied. Thus, an individual who annually consumes 10*l.* worth of tea, contributes to the revenue 4*l.*; — but, surely, it is not essential to his capacity of contributing this sum, that he should consume a certain quantity of tea yearly. Since he possesses funds adequate to the payment of 10*l.* for tea, if no duty were charged on this tea, and he could purchase it for 6*l.*, he would still be able to advance the additional 4*l.* as a direct tax. Indeed, if he were entirely to cease consuming tea, (though I do not advise that he should do so,) and were to substitute in its place the equally nourishing, and far more wholesome, beverage, water,

which he might have without cost, he would have the power of much more considerably contributing to the public revenue; for in that case, he might afford to pay, as a direct tax, the whole 10l. which he had been accustomed to spend in this luxury, and of which before, 4l. only went to the Exchequer, the remainder being divided between the Chinese, the ship owner, the East India Company, &c. On the same mode of reasoning, it would be preposterous to maintain, that he who can afford to drink a barrel of ale, on which the duty is 10s., could not afford to advance this 10s. *without* drinking the ale. The fact is, that it is a convenient way of raising a revenue, to tax consumable articles at the custom house, or the excise office; but, if the consumers of such articles, can afford to consume them, loaded with taxes, they certainly can afford to advance these taxes, even though they did not consume the articles upon which they are levied; and hence there is no *necessity* whatever, that the articles in question should be imported for the mere purpose of aiding the revenue of the country.

If it be clear, that no increase of national wealth can be derived from commerce of import, it is, on the other hand, equally plain, that in some cases, an increase of national wealth may be drawn from commerce of export. The value obtained in foreign markets, for the manufactures which a nation exports, resolves itself into the value of the food which has been expended in manufacturing them, and the profit of the master manufacturer, and the exporting merchant. These profits are undoubtedly national profit. Thus, when a lace manufacturer has been so long employed in manufacturing a pound of flax into lace, that his subsistence, during that period, has cost 30l., this sum is the real worth of the lace; and if it be sold at home, whether for 30l. or 60l., the nation is, as has been shown, no richer for this manufacture. But if this lace be exported to another country, and there sold for 60l., it is undeniable,

that the exporting nation has added 30% to its wealth by its sale, since the cost to it was only 30%.

Reasoning in this way, an Economist would admit, that Britain gains some increase of national wealth, by her commerce of export. Yet he would be truly astonished to observe the value which we set upon this commerce, when he calculated the probable amount of our national gains from this source, and compared it with the public revenue, and private expenditure of the country. He would reason thus: Great Britain, in the most prosperous years of her commerce, has exported to the amount of about fifty millions sterling. If we estimate the profit of the master manufacturer, and the exporting merchant, at 20 per cent. on this, it will probably be not far from the truth; certainly it will be fully as much, as in these times of competition, is likely to be gained. Great Britain, then, gains annually by her commerce of export, ten millions.\* This sum, in itself, seems considerable; but compare it with the public and private revenue of the country, and it will be seen to be perfectly insignificant, and the trade from whence it springs, in no degree entitled to rank as the chief source of its wealth. Nearly *thrice* this sum is paid for the interest of the national debt! More than *six times* this sum is paid to the government in taxes! It cannot be supposed, that the receivers of this ten millions of profit from trade, pay more than one-fifth of the whole, which is two millions in taxes! To this we may add, the custom house duties on exports, which may amount to nearly two millions more. Four millions, therefore, is the utmost that we can suppose the revenue derives from British

\* If from this sum we deduct, as we certainly ought to do, the annual amount of our commercial losses at sea, we should considerably lessen its magnitude. The greater part of our exports, as well as of our imports, being insured by British underwriters, the whole amount which they annually pay, is so much dead loss to the nation; deducting the premiums which they receive from foreign countries. It is impossible to ascertain what is the annual amount of the sums paid by underwriters, and of the loss sustained by individuals from losses at sea, but it must be some millions.

commerce of export. Whence, then, I ask, spring the remaining *sixty* millions, which are annually paid in taxes? Certainly from some source more productive than commerce of export. And, as no wealth is created by manufactures sold at home, or by commerce of import, from what source can this enormous amount of taxes be derived, but from the grand source of wealth, the soil?

We should laugh at, or pity as insane, the proprietor of a landed estate of 10,000l. a year, on which there was a stone quarry, producing him annually 500l. profit, who should continually be dwelling on the amazing importance of this quarry, and be miserable when he sold a few cart loads of stones less than usual; and, at the same time, should pay no regard to the infinitely greater revenue arising from his land, but should consider it as by far the least important part of his riches. With equal justice might the Economist laugh at our folly, or pity our insanity. "These people, these Britons," he might say, "have a territory the most productive, in proportion to its size, of any in Europe. As their island contains twelve millions of inhabitants, and each person on the average annually consumes food to the amount of at least 10l., they must derive from their soil a gross yearly revenue of 120 millions. Their surplus produce, too, is greater than that of any nation in the world; for, in the raising of food for twelve millions of people, there are not occupied more than *two* millions\*, and consequently, the remaining ten millions

\* From the result of the Population Act, it appears, that of the 8,300,000 persons, which England then contained, only 1,524,000 were chiefly employed in agriculture; so that of the 12 millions, which Great Britain is supposed to include, there cannot be computed to be much more than a sixth part employed in cultivating the earth. This fact strikingly confirms the truth of the opinion here maintained, of the vast wealth derived from our soil. And it is on account of the smallness of the population, employed in bringing into existence such a large produce, that the wealth of Britain is so greatly superior to that of other nations with a much larger population. In most other countries, the bulk of the people are employed in producing the food which they consume, consequently the manufacturing class must be small, and there can be no accumulation of wealth, however great may be its production. Thus, in France, where

may be employed in fabricating manufactures of use, or of luxury; in defending the state; in communicating religious, moral, or scientific, instruction; in administering justice, and in contributing most essentially, in a thousand other ways, to the happiness and prosperity of the community. And yet, strange infatuation! these islanders, notwithstanding their riches and their greatness, are so incontestably derived from intrinsic causes, not to be affected by any thing external, notwithstanding they draw a gross revenue, an absolute creation of wealth annually, to the amount of 120,000,000*l.* from their soil: regard this true source of their wealth with indifference; with unaccountable delusion fancy all their riches have been derived from commerce; from a source, the national profits of which cannot be more than a twelfth part of their whole revenue, and are miserable at the idea of having a few ports shut against their trade! And still more strange is the consideration, that, not only their merchants, whose self-interest might blind them on this point; not only their ignorant vulgar have raised this cry of their dependence on commerce: even their land owners, their statesmen, whom, of all men, it behoved to have had right notions on such an important subject, have re-echoed the senseless delusion. Well might one of their greatest promoters of

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there is an infinity of small estates of ten and twenty, and even so low as two and three acres, each, which are the bane of all national increase of wealth, probably more than *half* the population is employed in agriculture. When a nation has once gone into the system which we have adopted, on which manufactures are made the cause of increased agriculture, it is desirable that the land should be cultivated with the fewest possible number of hands that are sufficient to cultivate it well. Thus if, by some supernatural influence, 1000 Britons had the power of raising the same quantity of food from our soil, which is now raised by 2,000,000, it would evidently be a most important national advantage. Upwards of 1,900,000 labourers might then become manufacturers, and by their labour convert the food which they consume into durable wealth. This subject might be greatly enlarged upon, did not the limits of this publication forbid it. What has been already hinted, is sufficient to prove the folly of the outcry which has been raised in this country against the practice of throwing many small farms into one large one. Such a practice is the surest proof of national wealth; and farms cannot be too large, nor cultivated with too few hands, if the greatest produce possible be raised from them.

agriculture, indignantly exclaim, on reading a speech of their favourite minister, on the state of the nation, in which agriculture was scarcely deemed worthy of notice, as a source of national wealth; ‘This the speech of a great minister at the close of the eighteenth century! — No: it is a tissue of the common places of a counting-house, spun for a spouting-club, by the clerk of a banker: — *labour of the artisan — industry of manufacturers — facility of credit — execution of orders — pre-eminence in foreign markets — capital — compound interest* — these are the great illustrations of national felicity! This the reach of mind and depth of research, to mark the talents framed to govern kingdoms! These big words, to paint little views, — and splendid periods, that clothe narrow ideas! These sweepings of Colbert’s shop — These gleanings from the poverty of Necker! — Are these the lessons he learned from Adam Smith? From a writer, who attributes the flourishing situation of England more to the security of farmers in their leases, than to all our boasted laws for the encouragement of foreign commerce?’”\*

I have supposed these reflections to be made by an Economist, because he might consistently allow an increase of national wealth to be derived from our commerce of export, which I cannot admit to spring from this source. If the absurdity of our conduct, in estimating the value of commerce so highly, be evident, even on the supposition that we really do gain a few millions annually from it, how egregious will our folly, how excessive our blindness, appear, if it can be proved, as I shall now endeavour to prove, that *Britain does not derive any accession of wealth whatever from commerce of export, and consequently, that her riches, her greatness, and her power, are wholly derived from sources within herself, and are entirely and altogether independent of her trade.*

\* Remarks on Mr. Pitt’s Speech on the State of the Nation, by A. Young, Esq., *Annals of Agriculture*, vol. xvii. p. 373.

I have already admitted, that there are cases in which a nation may gain wealth from commerce of export. I grant, that, when a nation receives the profits of its export trade, in necessary and durable commodities, these profits will be national profit. But inasmuch as a great proportion of the imports of Britain,—a much greater proportion than the amount she can possibly gain by her export trade—consists of luxuries of the most fugitive description, which are speedily consumed, and leave not a vestige of their existence behind them: from this circumstance, I contend, that her wealth derives no augmentation from her commerce of export.

Before I proceed to advance the reasoning, and to point out the facts upon which this opinion is founded, it is necessary to show, by a slight examination, the fallacy of the doctrine of the *balance of trade*,—or, the opinion that Britain accumulates riches from her commerce, by receiving every year a balance in the precious metals, in consequence of a constant excess of her exports over her imports. Glaringly absurd as is this doctrine, in the eyes of every tyro in political economy, and clearly as it has been demonstrated that no such balance can be received; we still, as a century ago, hear, not only our newspaper politicians, but our statesmen even, estimating the value of a branch of commerce, by a reference to this exploded theory. I shall spend a few words, therefore, in showing, that, for the most part, there has been no difference between the value of our imports and exports; and if there has existed any such difference, that this difference has been completely thrown away by being expended in foreign warfare; consequently, that our wealth cannot have been increased by any balance of gold and silver derived from commerce.

The only documents to which we can refer for the foundation of an opinion concerning the relative amount of our imports and exports, are the accounts

annually laid before parliament by the Inspector-General. From these accounts it appears that, in 100 years, from the year 1700 to the year 1800, the total value of our exports exceeded that of our imports, by 348 millions sterling. If, then, these accounts were correct, we ought, at this present time, to be worth a quantity of the precious metals equal to this amount, added to the amount of the quantity which was in the country prior to the year 1700; we ought to possess gold and silver to the amount of considerably more than 400 millions sterling. But every one knows that we do not possess a twentieth part of this amount of the precious metals; there is even great reason to believe, when we reflect how very small is the value of the gold and silver now employed as a circulating medium, that there is not at present so much of these metals in the kingdom as there was a century ago, notwithstanding a greater quantity of them may be now converted into plate, than there was at that time.

This being the case, one of these two suppositions must be true; either the accounts of the value of our imports and exports are incorrect, and the amount of the former has more nearly equalled the amount of the latter, than is there represented: or, the difference in value between the two, has been applied to the payment of foreign nations, for the expenditure occasioned by our wars. The latter supposition is maintained by Mr. Foster.\* He conceives, that the amount of our exports above that of our imports, for the last century, has been even more considerable than is represented by the custom-house accounts, and that the whole of this difference has been paid to foreign nations, for the maintenance of our armies, for the subsidies granted to our allies, and the other expenses consequent upon continental warfare.

If this opinion were well founded, there would

\* Essay on the Principle of Commercial Exchange, p. 9., &c.



be no need to enter into any long argument to prove, that we have gained no accession of wealth from our commerce of export. For if we have, in the course of a century, exported to the amount of 400 millions sterling, in manufactured articles, for which we have never received any return whatever, the warmest advocate for commerce will scarcely assert, that we can have got rich by such a trade.

But, as Mr. Foster has not produced any proof that our foreign expenditure, in the last century, has been so immense as he supposes, though, no doubt, it has been considerable, it may be questioned, whether it is not a more probable supposition, that the custom-house accounts are incorrect, and that the value of our imports has more nearly approached that of our exports, than the statements of these accounts would lead us to imagine. Nothing can be more vague than the mode in which the value of our exports has been formerly ascertained. How is it possible, that any estimate, at all approaching to accuracy, could be formed of the value of the principal of our exported manufactures, such as woollens and cottons, which paid no duty, and of which the custom-house knew nothing, either of the quantity or quality; inasmuch as it was necessary to enter the number of packages only, without specifying the number of yards contained in them, or the price per yard? Such being the uncertainty of the data on which these custom-house documents are grounded, and it being obviously the interest of a minister who holds the doctrine of a balance of trade, to make the amount of our exports as large, and of our imports as small, as possible; it does not seem unreasonable to presume, that the value of each has been always pretty nearly equal. And this opinion will appear the more probable, if we attend to the fact, that, since a duty, *ad valorem*, has been charged on most articles of export, and more attention has been paid by the Inspector General, in calcu-

lating the real value of articles exported and imported, the amounts of each have been estimated to be the same within a few 100,000 pounds.

If the estimated difference between the value of our imports and exports has not been thrown away, by being paid for our foreign expenditure, there is not need of further argument to prove, that their value must have been equal. For there is, in truth, no principle, in the science of Political Economy, more certain, than, that the imports and exports of a trading nation, must, on the average of a few years, exactly balance each other, after it has acquired so much of the precious metals as is necessary for the purpose of circulation, and of supplying the demand of its inhabitants for articles of plate. For, if a nation, fully supplied with the requisite quantity of coin and of plate, were this year to export to the amount of ten millions more than it imported, and receive the balance in bullion, inasmuch as this addition to its stock of the precious metals would be superfluous, their price would decline, until it would be profitable for the dealer in bullion to export this superabundant quantity; and, as it would not be exported without some other commodity being received in return, the next year the imports of this nation would exceed its exports, and the equilibrium would be restored.

It being, then, the fact, that our imports are of equal value with our exports, consequently, that no gold or silver is received for the profits of the latter branch of commerce, it follows, that these profits are received by the nation in other merchantable commodities. This often takes place in a direct way. A merchant, for instance, exports to Portugal 800*l.* worth of woollen cloth, which is there sold for 1000*l.* He thus gains 200*l.* profit on this sale; but he orders wine to the amount of 1000*l.*, consequently this gain is not received in gold or silver, but in

wine ; by the sale of which at home, he realizes his profit. It more frequently happens, however, that the importer and exporter of goods are wholly distinct ; that one merchant exports woollen cloth, for example, and another imports wine : but this makes no alteration in the result, in a national point of view ; neither does the circumstance of the balance of trade being against us with one country, and in our favour with another ; for if the whole of our imports, collectively, be equal to the whole of our exports, and if we receive no quantity of the precious metals in payment for the excess of our exports, it is indisputable, that the profits of our export trade are received in vendible commodities.

Although every thing which man desires may be called wealth, yet, of this genus wealth, there are many species, varying very considerably in their qualities, and in their real value. Permanency or durability, in particular, seems one of the most important attributes of wealth, a quality, the possession of which, renders one kind of wealth of much greater intrinsic value than another, though of the same nominal worth. Thus, of two nations, if one employed a part of its population in manufacturing articles of hardware, another in manufacturing wine, both destined for home consumption ; though the nominal value of both products should be the same, and the hardware should be sold in one country for 10,000*l.*, and the wine in the other for the same sum, yet it is evident, that the wealth of the two countries would, in the course of a few years, be very different. If this system were continued for five years, in the one country, the manufacturers of hardware would have drawn from the consumers of this article 50,000*l.* ; and, at the same time, this manufacture being of so unperishable a nature, the purchasers of it would still have in existence the greater part of the wealth they had bought ; whereas, in the other nation, though the wine manufacturers would have

also drawn to themselves 50,000%. from the consumers of wine, yet these last would have no vestige remaining of the luxury they had consumed. It is evident, therefore, that at the end of five years, the wealth of the former nation would be much greater than that of the latter, though both had annually brought into existence wealth to an equal nominal amount.

Some wealth, then, being of so transitory and evanescent a nature, that, after its consumption, no trace of its having existed remains; and wealth of another description being endued with more durable qualities, so that after its purchase and use by the consumers of it, it will still retain the whole, or part, of its value; it follows, that a quantity of the latter kind of wealth, may be exchanged for a quantity of the former, of a much larger nominal value, and yet no increase of wealth accrue to the nation making the exchange. Thus the two countries above mentioned might agree to exchange the produce of their industry. The manufacturers of hardware in the one might exchange with the other the articles which they had been accustomed to sell at home for 10,000%. for as much wine as would sell at home for 12,000%, and thus get a profit of 2000%. But the question is, would this profit be an increase of national wealth? surely not. If we do not content ourselves with skimming on the surface of things, but inquire in this case, as we ought to do in every case, *whence* this profit arises? we shall find, that it could proceed from the consumers of the wine only: that, unless these purchased the wine, the manufacturers of hardware could neither realize the value of their hardware, nor their profit upon the wine, and consequently, that whatever the latter gained, the former must lose, and the national wealth would remain just the same. And at the end of a very short period of time, where would be the wealth which this nation had received for its hardware? It would be consumed, and every relic of it annihilated; and, notwithstand-

ing the greater value of the wine imported, the nation would have been much richer, if it had retained its own unperishable manufacture.\*

Let us apply this reasoning to our own case. If we examine a list of the amount of our imports, we shall find, that more than half the value of all that we import, a much greater amount than any thing we can possibly gain by our commerce of export, is made up of wealth of the most fugitive and evanescent kind, of articles no way necessary for even comfortable existence, and which are wholly consumed before the end of the year in which they are imported, leaving not a vestige of their having ever existed. Thus we import annually tea to the amount

\* Dr. Smith has, in several parts of his work, indirectly adverted to the essential difference between durable and perishable commodities; but on this, as on several other topics, he has fallen into great inconsistency. He has laughed at the idea of "Reckoning that trade disadvantageous which consists in the exchange of the hardware of England for the wines of France;" (Bk. IV. chap. i.) and has denied that the trade which the workman carries on with the alehouse is a losing trade: (Bk. IV. chap. iii.) yet he has expressly allowed, that "Some modes of expense seem to contribute more to the growth of public opulence than others;" and he has entered into a detailed chain of reasoning to prove, that a nation will be richer in proportion as its members expend their revenue, not in *perishable* commodities, such as wine and luxurious food, but in durable commodities, such as ornamental furniture, books, statues, &c. (Bk. II. chap. iii.) Ought he not, then, to have been consistent, to have allowed, that if the iron which has been sent to France for the last 50 years in exchange for wine, had been retained at home, — not in the shape of superfluous "pots and pans," but in "useful and ornamental furniture" — that we should have been now richer than we are? Would, indeed, the nation be poorer, if the palates of our rich men had remained ungratified with claret and burgundy, and the "*pots and pans*" which have been sent to France, were now contributing to the comforts of the thousands of our poor who scarcely possess a pot or pan? — Again: In stating the advantage which a nation may derive from exporting the gold and silver, which a paper circulating medium has rendered superfluous; he says, if this gold and silver be employed "in purchasing such goods as are likely to be consumed by idle people who produce nothing, such as foreign wines, foreign silks, &c. their expenditure *is in every respect hurtful* to the society." (Bk. II. chap. ii.) But surely Dr. Smith would not pretend, that it made any difference whether these foreign silks, &c. were purchased with gold and silver, or with other goods. If it would be "hurtful to the society" to expend its superfluous gold and silver in such articles, it must be hurtful to it, to expend its durable manufactures in them. — Bishop Berkeley was impressed with more accurate notions on this subject, when he asked "Whether an expense in building and improvements doth not remain at home, pass to the heir, and adorn the public? and whether any of these things can be said of claret?" *Querist*, Q. 405.

of four or five millions sterling ; sugar and coffee for our own consumption to a larger amount ; and we may fairly estimate the value of the wine, rum, brandy, geneva, tobacco, and fruit, which we consume, as equal to eight or ten millions more. Twenty millions, then, and upwards, do we pay for these articles, of which there is not one that we could not do very well without ; of which there is not one, (if we except sugar\*,) that we should not be much better without, and the whole of which are speedily consumed, leaving “ not a wreck behind.”

This being the case, with what propriety can we be said to derive any accession of wealth from our commerce? We do, it is allowed, gain annually a few millions by our export trade, and if we received these profits in durable articles of wealth, we might be said to increase our riches, though still comparatively, but in a slight degree, by commerce ; but we spend at least *twice* the amount of what we gain, in luxuries which deserve the name of wealth but for an instant, — which are here to-day and to-morrow are annihilated. How then can our wealth be augmented by such a trade? how will such a negative source of riches suffice to be referred to, as creating the immense positive wealth which we enjoy?

We are so much accustomed to the error of considering two things, that can be sold for the same money, as equally valuable to the nation which con-

\* It may be said, that sugar, being highly nutritive, contributes to the support of those who use it, whilst the other articles enumerated afford no nourishment whatever. But this substance is used in such small proportion, by those who consume the least quantity of other kinds of food, that we can scarcely, with justice, attribute any value to it, in this point of view: and certainly none at all, unless it could be proved, which it would be very difficult to do, that a person who uses sugar, consumes, on that account, so much less of other food. — It is here necessary to observe, that I am fully aware, that sugar, rum, and coffee, being the produce of our own colonies, and therefore, in truth, commodities of the home trade, ought not strictly to be regarded as articles of our foreign commerce: but as these articles, as well as the exports to the West Indies, and those to America on account of the West Indies, are always enumerated in the list of imports and exports, it is not possible, in a work like this, to distinguish between them and the articles properly designated as the objects of foreign trade.

sumes them, because they are equally valuable to the individual who sells them, that we do not by any means estimate with accuracy the different value of different kinds of wealth, in a national point of view. Yet a case may be imagined, in which this difference would be intelligible to every one.

Suppose, instead of indulging in the luxuries of tea, wine, and spirits, that it were the fashion for every inhabitant of Britain to inhale, once a year, a quart of the aëriform fluid, called by chemists nitrous oxyd; — that this air was to be obtained only from France, and that the price of it was one guinea a quart. Suppose, also, that we paid for this 12,000,000*l.* worth of gas, by sending woollen cloth to France to that amount, importing, in return, this invisible and elastic wealth, in a proper contrivance of bladders, casks, balloons, &c. Would not an unprejudiced observer laugh at our extravagant folly, if we should make a clamour about the profit which the nation gained by this trade, because it took off our woollen cloth to so large an amount? Would he not justly say, “ These people are infatuated. Because the individuals concerned in exporting this woollen cloth, and in importing this gas, gain a few hundred thousand pounds profit, they fancy that their nation gets rich by this trade, not considering that they are giving away twelve millions of permanent wealth, which may last for years, and might have been hoarded to an immense amount, for — what? for air; for the mere indulgence of a moment, which is of no earthly benefit to its consumers, and which, in one day, is expended, and rendered of no value whatever! They do not see that if they were without this trade, and kept all their woollens — if they distributed them in Sunday coats to their industrious poor, or in blankets to the thousands of their fellow-countrymen, who, with their wives and children are now forced to shiver through the bitter nights of winter\* for want of these ne-

\* See Hayley's *Life of Cowper*, 4to. edition, vol. iii. p. 347.

cessaries which they are absurdly exporting as superfluous — they would be much richer than by exchanging them for such a fleeting substance: they do not perceive that though their merchants may draw to themselves a million per annum profit from this trade, the nation loses by it twelve millions per annum.”

If the considerations just adduced serve to show the folly of the opinion which should conceive any national wealth to accrue from such a ridiculous traffic as that alluded to, they will equally prove the fallacy of the belief, that this nation gains great wealth by its commerce. For though the tea, brandy, wine, &c., for which we pay annually so many millions in more permanent wealth, are not of quite so volatile a nature as an equal value of nitrous oxyd would be, yet they are fully as unnecessary for all the purposes of comfortable existence, and when consumed, leave no more traces of their having ever been. And, inasmuch as we pay for them an amount much greater than the whole of any profit that we can possibly derive from trade, it is clear that it is from some other source that our wealth is created.

The circumstance that a vast proportion of the articles we import in return for our exported goods, is of such a fugitive and evanescent description, does not seem to have been sufficiently attended to; and as the deduction from this fact is of great importance, and cannot be made too plain, I shall beg to make one more illustration to prove the impossibility of our getting rich from our commerce.

Sir Richard Arkwright, by his invention and employment of improved machinery, in the spinning of cotton, annually gained great riches. But would he ever have been wealthy, if he had every year spent in tea, wine, sugar, &c. destined for his immediate consumption, a sum equal to, or greater than, the whole of his gain? Surely not. The dullest intellect must see, that he never could have acquired wealth by this constant expenditure of his gains in articles to be



consumed by himself, which, when consumed, left no relic behind them; however great might be his gains, and however long he might have acted on this system. If, then, a private manufacturer cannot acquire wealth in this way, neither can a manufacturing nation. The cases are precisely parallel.

If we would know who it is that really get rich by British commerce, we should inquire into the qualities as to permanency and necessity of the articles which we export, and compare them in these respects with the articles we import; and having made this comparison, we shall find that it is Europe, Asia, America,—all the countries with which she trades,—not Britain, that is enriched by her commerce. Thus, we supply the inhabitants of America with clothes, with hardware, with pottery; with a thousand articles of the most pressing necessity, and of the greatest durability; and as we thus prevent the need of any great part of their population being engaged in manufactures, nearly the whole of it can be employed in the infinitely richer source of wealth, agriculture. And what do we receive in return for these benefits? Why, a vile weed, tobacco; which, doubtless, when it has gratified our gustatory organs in its original form as tobacco, or has deliciously stimulated our olfactory nerves, in its pulverized and more refined form, snuff, has most marvellously added to our stores of national wealth! The case is the same with all the other countries with which we trade. We supply them with commodities of absolute necessity to comfortable existence, and we receive in return from them such precious articles as tea — which debilitates us, without affording an atom of nourishment: as wine, rum, brandy, which do us the favour of shortening the days of a great proportion of our population. It is the countries we trade with, and not we, that get rich by our commerce.

HAVING thus stated the grounds of my conviction, that we derive no national wealth whatever, from our commerce, I proceed to the consideration of several objections, which, it is obvious, will be made to this doctrine.

1. It may be said: "Allowing that this country does not gain any direct accession to her wealth by her commerce of export, yet inasmuch as the manufacturers employed in fabricating the articles she exports, require food, they will, by their demand for the products of the earth, cause more land to be cultivated, and in a better mode, just as it has been already shown, the manufacturers of articles for home consumption do; and thus indirectly increase the wealth of the nation." I might admit the force of this objection, without invalidating, by such a concession, the truth of the conclusions previously drawn; since the *direct* creation of wealth by commerce, not its indirect influence on agriculture, is the opinion insisted upon by the disciples of the mercantile sect, the truth of which is here controverted. But there is no necessity for admitting, that our export commerce has materially increased the wealth derived from agriculture. A slight consideration of the matter will show, that it is to the consumers at home, the manufacturers of goods for exportation, as well as the manufacturers of articles for home consumption, are indebted for their subsistence; and consequently, that the *whole* of the stimulus derived from manufactures, which acts beneficially upon agriculture, is inherent in ourselves.

It is in consequence of the consumption of so great an amount of foreign commodities in this country, that there is so great a consumption of our manufactures by other nations. From the very nature of trade, it can never be carried on for any long period of time between two nations, of which each does not produce something wanted by the other; for no nation could afford to purchase the produce

of another nation to any extent, except that other would consent to take its produce in exchange. Thus, except we purchased tobacco of America, and wine of Portugal, these countries could never consume our woollen cloth; they would be forced to deal with some other people, which would consume their produce; or if no such purchasers of their articles could be found, they must necessarily provide themselves with clothing, in the best way their means would admit of. If Britain were to proclaim to the world, "I possess within myself all that I want; I will no longer purchase your superfluous produce, though I will still permit you to buy of me what you need," she would soon find herself without a customer. The rest of the world would answer, "Much as we value your manufactures, and necessary as they are to us, we cannot purchase them without you will consent to accept our produce in return. We possess not gold or silver, in sufficient superfluous abundance, to supply us with even a year's consumption of your articles, and we therefore must resort to some other nation, better acquainted with the just principles of trade, for the supply of our wants, or we must betake ourselves, however inconvenient it may be to us, to our own resources." It is, then, to the home consumers of foreign commodities, that we are indebted for the existence of our export trade. The British consumers of foreign articles may be considered as thus addressing our manufacturers: "You manufacture a greater quantity of woollen and cotton cloth, of hardware, &c. than our necessities, or our utmost luxuries, require: you cannot, therefore, expect us to give you your subsistence, for articles which we can make no use of; but export your superfluous manufactures; exchange your woollen and cotton cloth, your hardware, which we do not want, for wine, for tobacco, for brandy, which we do want, or fancy we want, and we will purchase the articles which have been thus transmuted by commerce, and eventually you will re-

ceive the same subsistence, the same profit, as if we had directly consumed your manufactures.”

Since, therefore, no nation can export her commodities, without importing other commodities in exchange for them; since these last are consumed by the home consumers; and since, except they consumed them, no considerable export trade could be carried on, it follows that it is the consumers at home, that actually are the means of creating all the stimulus which improves and extends agriculture, whether this stimulus arises from manufactures sold at home, or exported. That this is an accurate statement, will be still more evident, if we consider, that at the very commencement of our commerce, and at every period since the consumers of the foreign commodities imported, inasmuch as these commodities have never been the necessaries of life,—have never been food or raiment,—*might* have consumed to the same amount of home manufactures, and thus have directly supported the manufacturers employed in fabricating the articles destined for export. Just now, for instance, if the consumers of the articles, which we import and sell at home, to the amount of fifty millions, were to resolve no longer to consume them, is it not self-evident, that if they chose, they might take the place of our foreign customers, and purchase, with the fifty millions thus saved, the goods to the same amount which we now export?

2. The next objection which I shall attend to, is the enquiry which will naturally be made, “*Whence is the population which is now supported by manufacturing articles for foreign commerce, to derive its subsistence, if it be thrown out of employment in consequence of the loss of our export trade?*” In answer to this enquiry, it is necessary to state, in the first place, that a vastly smaller proportion of the population of the country is occupied in preparing manufactures for foreign markets, than a superficial observer could conceive. Because we are accustomed to hear of this great manufacturer employing hun-

dreds, and the other, thousands of workmen, in manufacturing articles for exportation ; we fancy that some millions of the people are occupied in this branch of industry. But this is a gross delusion. Such observers will scarcely believe me when I assert, that *not 500,000 individuals are employed in this country, in manufacturing articles for foreign consumption.* Yet, that this is undoubtedly the fact, will be obvious from the following statement. From the return of the population of Great Britain in 1801, it is stated that 2,136,726 persons only were chiefly employed in trade, handicraft, or manufactures. Now, it is well known, that of those manufactures which we export most largely, *more than two-thirds* of the whole quantity manufactured is consumed at home. Of the above number, therefore, supposing the whole to be manufactures, nearly 1,500,000 must be employed in manufacturing articles for home consumption. But, when it is considered what a vast proportion of the whole number is composed of mere traders, shopkeepers, and retail dealers, it is indisputable that the remaining 600,000 is a much greater number than can possibly be dependent on foreign commerce. Indeed, I do not hesitate to declare my belief, that, if it were possible to come at the truth, it would be found, that not 300,000 individuals among us, are engaged in preparing articles for foreign consumption.

If the number of those who will be thrown out of employment, by the loss of foreign commerce, were much greater than it is, there would be no difficulty in finding occupation for them : but for such a small proportion of our population, abundant new sources of employment present themselves. — In the *first* place, the augmentation of our army, is a measure so essential to our security, that it would at present readily absorb upwards of 100,000 individuals. — *Secondly*, The very cause which throws our population out of employment, creates more than sufficient additional means of occupation for them.

If Buonaparte succeed in his paltry scheme of excluding our trade from the Continent; a scheme which abundantly evinces the miserable littleness of his views on matters of political economy: — and if the Americans persist in inflaming into war, the slight grievances which their pettish folly has led them so greatly to magnify: the consequence will be, that we *must* cease to import, to an amount equal to the diminution of our exports. We may be such slaves to our appetites as to cry, “We cannot exist without tea, without brandy, without silks;” but we shall cry in vain: and we shall be *forced*, how grievously soever against our will, to practise the Spartan self-denial, which our enemies have not hesitated to submit to, when the object is our annoyance. If we cannot force the Continent of Europe to continue to purchase of us more manufactures than they sell to us, and give us, as usual, the balance in silver, we can no longer purchase tea of the Chinese, who will receive nothing but the precious metals in exchange for this weed. If the Americans will not buy our woollens as formerly, we can no longer purchase their tobacco. In short, if Buonaparte succeed in destroying our export trade, our import trade must fall with it; and exactly in proportion as the former suffers, so must the latter. It is this inevitable loss of our import trade, which will supply the remedy for any evils that may affect our manufacturing class dependent on our export commerce. When we can no longer obtain the commodities with which foreign nations have been wont to supply us, we must necessarily seek for succedaneums at home. The only reason why we have preferred importing many articles which we can ourselves produce, has been on account of the dearness of labour in this country, when compared with its price abroad. The production of these commodities at home, will, therefore, amply employ all the hands that can possibly be set at liberty by the loss of our export commerce. If we cannot get

hemp and flax from Russia as usual, and most assuredly we cannot, if Russia will not accept our manufactures in return, we shall have occasion immediately to bring into cultivation upwards of 200,000 acres of waste land, for the purpose of growing these products ourselves. Here is at once employment provided for 200,000 individuals. — If we have no longer the silver necessary to purchase tea from China, we must set about the production of some indigenous substitute. “Where,” as Bishop Berkeley has asked, “would be the insupportable national calamity, if our ladies drank *Sage* or *Balm* tea?” and whether we use an infusion of sage, of balm, or of sloe leaves, or of a mixture of them, as we often unwittingly now do, for our social morning and evening beverage, the growth and preparation of the requisite substitutes, will call for the labour of many thousands. — To procure the barilla which we have obtained from Spain, we shall have to grow *Salsola* on our salt marshes, if we cannot get kelp sufficient, from our *Fuci*: or we must obtain it from the decomposition of sea salt, by the various processes which are familiar to chemists. — Our sulphur must be procured from our numerous mineral compounds, in which it abounds. — Our *Lichens* must furnish us with gums. — The whole of our iron, of which Russia now supplies a large proportion, must be dug from our own mines. — The coal-tar of Lord Dundonald must be a substitute for the vegetable tar of Archangel — We must grow rapeseed, linseed, and sunflowers for the supply of oil required by our woollens: and the tobacco which we now get from America, must be no longer a prohibited article of cultivation.

The bare enumeration of these new home employments, which a loss of commerce would create, is sufficient to show, on the slightest survey, that our manufacturers will, in such an event, have no want of abundant and profitable occupation. But the new employments to which I have adverted, are

scarcely a tythe of those which would be called for, to furnish the thousand articles, which at present we unnecessarily get from abroad. On this head, therefore, we have nothing to apprehend. At no time do the members of the manufacturing class derive from their labour more than a bare sufficiency of food and raiment. We shall still continue to produce as much of the former as before; of the latter, for a time we shall have a superfluity: and the means of enabling the members of this class, independently to *earn* their maintenance as usual, are secured to them by the very measure, which, at the first glance, threatens them with misery.— On this point, I am happy to be able to confirm the accuracy of the reasoning above employed, by the authority of that profound political economist, Mr. HUME. The following quotation occurs in his *Essay on Commerce*:— “When the affairs of the society are once brought to this situation, a nation may lose most of its foreign commerce, and yet continue a great and powerful people. If strangers will not take any particular commodity of ours, we must cease to labour in it. The same hands will turn themselves to some refinement in other commodities which may be wanted at home; and there must always be materials for them to work upon, till every person in the state who possesses riches enjoys as great plenty of home commodities, and those in as great profusion as he desires, which can never possibly happen.”\*

3. It will be objected, in the third place, “*Though we might give up some of the luxuries which we*

\* For many unanswerable arguments in reply to the objection above discussed, I refer the reader to the remarks of Mr. COBBETT, in his *Political Register* of 28th November and 5th December. — Much as I differ with this gentleman on many of his political opinions, I should be guilty of injustice if I did not express my thanks to him for so effectually promoting the object I had in view in publishing this pamphlet, by the large extracts from the first edition, which he has copied into his widely-circulated publication.

In some of the alterations introduced into this new impression, I have availed myself of hints afforded by the masterly arguments and ingenious illustrations with which Mr. COBBETT has defended the opinions, which, on this subject, we hold in common.



*import, without great inconvenience, yet a very large proportion of our imports is absolutely necessary to us, and could not be done without."*

This may appear, at the first glance, to be the case; but if any one will examine a list of our imports, he will be surprised to find how few of the articles we get from other countries are necessary even to comfortable and luxurious existence; and of how comparatively small value these are, when compared with the immense amount of what we consume. We could not well do without some of the drugs used for dyeing and for medicine: we should want olive oil, perhaps, in the preparation of our woollen cloths; saltpetre (if we had not the art of the French chemists, to form it from its principles,) for our gunpowder; turpentine, and the various denominations of wood, of which we do not grow enough for ourselves. Of all the rest of our imports, I can see scarcely one that we might not very well do without, or find fully as valuable succedaneums for, from our own productions. Barilla, Turkey carpets, China ware, silk, fruit of all kinds, grocery of every description, bar iron, linen of all kinds, skins of every sort, tar; in fact, every thing besides the articles which I have pointed out, (which no power on earth could hinder us from obtaining, and of which a few cargoes of broad-cloth would annually purchase all we can possibly have occasion for), seem by no means necessary to us.—It should be considered, too, that of the most important of these essential articles, our colonies and possessions in different parts of the world offer us an abundant supply. The forests of Canada, as well as of India, abound in the timber necessary for our ships of war; and from the former, tar and turpentine might be procured in any quantity. Some may be of opinion that we could not do without the hemp, flax, and tallow, which we import from Russia; but there seems no reason why we might not grow a sufficient quantity of the two for-

mer articles for our consumption ; and whale oil, of the fishery producing which we have a monopoly, will always abundantly supply us with the means of obtaining light, if our own produce of tallow should be insufficient.

With respect to hemp, it is infinitely desirable that we should raise as much in our own country as would be sufficient, at least, for the supply of our navy ; and probably no mode of effecting this would be equal to the prohibition of its importation, which would at once create a demand for it, adequate to raise its price to the point at which land could, in this country, be profitably devoted to its cultivation. The bounties already allowed for effecting this end, deemed by the legislature so important, are evidently inadequate to its accomplishment, since but little hemp is grown in this kingdom. It might cost five or ten pounds a ton more, if produced at home, than if imported from Russia ; but this difference, or twice this difference of price, would be well sacrificed for the sake of our being independent of the world for this article, so essential to the existence of our navy. We are now at peace with Russia, and, it is to be hoped, may long continue so ; but if another Emperor Paul ascend the throne, or if we have a quarrel with this, or with any future sovereign, we shall lie entirely at his mercy : for, without cordage, we cannot have ships, and at present all our hemp is received from Russia. In fact, until we grow as much of this article as is sufficient for the use of our navy, it is perfectly idle to talk of our being an independent maritime power.\*

\* When the above passage was written, 12 months ago, there was little prospect that we should be excluded from commerce with Russia. That power is now added to the list of our enemies. If we were to continue at peace with America, it is probable that we should still receive hemp and flax from Russia by her intervention ; but if, as is most probable, she also declares war against us, there seems no prospect that we can be supplied with these articles from thence. We must cultivate them, therefore, at home. In effecting this there will be no difficulty. Although our waste land is not much of it, perhaps, fit for their growth, we have millions of acres which will grow corn ; while the land now occupied for this purpose is devoted to the cultivation of hemp and flax. And there is, also, as Mr. Young informs us, much *bog-land* in the kingdom, very fit for this end.

It need not be apprehended, that we could not spare the quantity of land required for the cultivation of hemp and flax. About six acres of land are required for producing a ton of flax, and five acres for a ton of hemp; so that, supposing we consume 10,000 tons of the former, and 40,000 tons of the latter, which is quite as much as we do consume, it would require only 260,000 acres to be applied to the cultivation of these articles: an extent which we can very well spare out of the twenty-two millions of acres of waste land which are to be found in Great Britain. All the hemp, however, requisite for the independence of the navy, might be raised from 20,000 acres \*; and if, after the narrow escape we once had of being excluded for years from Russia; and after the possibility which we have just witnessed, of our being shut out from all commercial intercourse with a whole Continent; if, I say, we do not take immediate steps for the cultivation of this most indispensable of all our imports, to at least this extent, we shall be guilty of folly the most egregious, of improvidence the most culpable.

That it is desirable we should grow the *whole* of the hemp and flax which we make use of in every way, I do not mean to assert; nor, indeed, that it is either necessary, or to be wished, that we should give up the consumption of all the foreign commodities, which we import, except the few above enumerated as particularly essential to us. All that I assert, is, that by far the greater part of what we import, we could do very well without, and consequently that, in every point of view, whether considered as sellers, or as buyers, we are independent of commerce.

4. The last objection likely to be made by the favourers of commerce, to which I shall advert, is, that *inasmuch as our navy is provided with men from*

\* See a note on this head, by Sir John Sinclair, in Young's Annals of Agriculture, vol. xiii. p. 508.

*our merchant ships, the existence of commerce is requisite to maintain this great bulwark of our nation.*—Every Briton must be of one mind with respect to the infinite importance of every mean by which our naval superiority is kept up ; and as there can be no doubt, that our trade *has* been one grand cause of our eminence at sea, we are certainly, therefore, in this point of view, highly indebted to it. But the question we have at present under consideration is, whether we are *now* independent of commerce ; and, surely, there can be no reason why the superiority of our navy should not be continued, even if all our trade were this instant to cease. It has been shown, that the *wealth* necessary for keeping up either a naval or a military force, is not derived from commerce. We *have* ships, and we *have* sailors. What then should hinder us from increasing the number both of the one, and the other, as well without, as with commerce ? Our shipbuilders will not lose their art, if they are employed in building men-of-war ; and a landsman may be educated into a sailor, as well, surely, on board a seventy-four, as on board a merchant ship. It may be said, “ But what becomes of our navy in time of peace : and how is it to be supplied with men on the recurrence of war, without resorting to that nursery of seamen, commerce ? There is no absolute necessity, I reply, that our navy should ever be dismantled, or our seamen ever disbanded. Other nations think it necessary, to keep a standing army in time of peace. We, if we were to lose our commerce, might maintain a *standing navy* ; and a fertile imagination may easily conceive and point out, abundance of important and rational occupation for such a fleet, even when not engaged in war. It may indeed admit of doubt, whether it would not be politic for this nation, even if she had more extended commerce than she has, constantly to maintain a fleet in time of peace ; and, in fact, it would be madness in the present state of Europe, not to do so. Let it be considered also, that we shall, at all

events, retain our coasting trade, and that this trade is of as much importance, as all our other branches of commerce collectively, as a nursery for seamen.

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It appears, then, in whatever point of view we regard commerce, that Britain is wholly independent of it. It contributes not a sixpence to her wealth. Its influence is not necessary for the promotion of her agriculture. But a very small proportion of her necessities are supplied from it; and her navy may be maintained without its aid. Such being the case, whence can have arisen the delusion which on this subject has for so long a period clouded the judgment of almost every individual in the country, from the village alehouse politician, to the statesman in the senate? How can it be accounted for, that a nation which has, for the last fifty years, annually, on the average, created from its soil wealth to the immense amount of at least one hundred and twenty millions sterling, of which a great proportion has, by the labour of its manufacturing class, been constantly transmuted into permanent riches, should have regarded this vast mine of wealth with indifference; should have even denied its existence, and should most perversely have maintained, that all its wealth, all its power, and its prosperity, were derived from its commerce? This strange obliquity of intellect, can be explained in no other way, than by adverting to the natural propensity which there is in man, to form his opinions by the examination of the mere surface of things, without ever aiming to penetrate to the remote and efficient causes of events. Because Tyre, Venice, and Holland, states without any extent of territory, and by being, in fact, the carriers merely of other nations, acquired riches by trade, and because countries of much greater extent of soil, such as Russia, Poland, &c. without commerce, have been poor, we at once conclude, that commerce is the

only source of wealth, making no inquiry as to what other circumstances, besides the mere presence or absence of trade, may have contributed, in the one case to riches; in the other, to poverty. Because we see merchants and ship-owners heap up fortunes, while men of landed property are often poor: because mercantile towns increase in population and in splendour, while villages remain stationary in these points, we conclude that wealth is created in towns, by commerce only, not in the country, by agriculture. Yet we do not form our opinions from such a superficial glance on many occasions. We do not say, because the government of this kingdom has a revenue of sixty millions sterling, that it *creates* wealth annually to this amount, and that, in consequence, the only way to be rich, is to increase taxes. We inquire from what source this revenue has been derived, and having learned, that it comes from the pockets of the community, we determine, that it is the governed, not the governors, who create this wealth. It is for want of making a similar investigation, that we imagine all who get rich are the creators of riches. Our opinion, in fine, is thus erroneous, because, in matters of political economy, we form our judgment from facts, which are but the surface mould of a mine of innumerable strata, all of which must be penetrated before we can arrive at the truth we are in search of.

Let it not be imagined from any thing which has been observed, that it is meant to be inferred, that the character of a merchant, individually considered, is not as estimable and as honourable as of any other member of society. Though it is the farmer who brings into existence all wealth, and the land proprietor who dispenses the greatest share of it; yet, as the views of both are private advantage, not the public good, neither the one nor the other, is on this score entitled to any merit. Self-interest is the impulse which directs the industry of every branch of the community, and in general, honest obedience

to this guide, will most effectually promote the advantage of society.

It must however be admitted, that, in a national point of view, its cultivators, its land proprietors, and its manufacturers of articles for home consumption, are of far more importance to a nation, than its merchants, or its manufacturers for exportation; and hence it is the height of folly in any government to neglect the interest of the former, whilst undue attention is paid to the latter; or to elevate the latter at the expense of the former. Thus, never was there a more irrational, impolitic, and unjust, measure, than the monopoly which has for the last hundred and fifty years, been given to the exporters of woollen cloths in this kingdom, at the cost of the landed and farming interest. The exportation of wool has been prohibited, and the price depressed one half, for the alleged purpose of enabling the manufacturer of woollens, to meet the competition of foreign manufacturers in foreign markets; as though the circumstances of growing the raw produce, of possessing improved machinery, and extensive capital, were not sufficient to give the English manufacturer a decided advantage over every foreign one. And so completely have the landed interest been duped by the interested cry of the exporting manufacturer, that commerce is the heart-blood of our system, the very essence of our prosperity; and of every part of our commerce, the woollen manufacture the most important; that they have consented to give out of their own pockets annually, to these manufacturers, from two to three millions sterling; an amount sometimes greater than the whole amount of our export of woollen cloths.\* No wonder the exporters of woollens should get rich, when the land proprietors have, in one hundred and fifty years, made them a present of two or three hundred millions of pounds sterling!

\* See a convincing statement of these facts, by Sir Joseph Banks, in Young's *Annals of Agriculture*, vol. ix. p. 479.

Nor let it be conceived, that the opinion is here maintained, that a diminution of our commerce is desirable. No one can be more deeply impressed than I am, with the conviction of the value of commerce, as a mean of procuring a mutual interchange of conveniences between distant countries; none can more highly appreciate its vast importance, considered as an engine for communicating and extending civilization, virtue, and knowledge, over every part of the globe. The sole tendency of the arguments employed, has been to place commerce on its proper basis; to strip it of the delusive and false value which has been so long attached to it, and to inculcate more just ideas of our independence. Every true lover of his country, would deny with indignation, the assertion, that Britain is in a state of dependence: yet, how can she with truth be said to be otherwise than dependent, if her wealth, her power, and her prosperity, be derived from her commerce, from a source, which the caprice of one set of customers, or the slavery of another, may at once annihilate? But, fortunately, this opinion, however prevalent, is founded in error. Britain is truly independent. Her resources, the cause of her wealth and prosperity, are intrinsic, inherent in herself, and cannot be influenced by any thing external. From her soil every year is brought into existence real wealth, to the amount of at least one hundred and twenty millions sterling; and this too, by a sixth of her whole population, so that five sixths of her inhabitants are released from all care of directly providing themselves with food, and are left at liberty to be employed as manufacturers, as soldiers, as sailors, or in the multifarious other occupations which the refinements of civilized life require.

Such being the immense amount of our internal wealth, let us no longer entertain ideas of our dignity, so mean and degrading, as to believe, that all our riches and greatness, are derived from the sale of a few cargoes of manufactures, the whole profit of



which, even if we did not spend more than twice this profit in consumable luxuries, could not amount to above a twelfth part of the revenue we derive from our land. Let us no longer elevate our commerce to an importance so much above its due, but, considering it, as it really is, the mean of procuring us luxuries merely, which we could very well do without, let us deem ourselves wholly independent of it, and regard those whom we supply with our necessary and durable articles of manufacture, as much more obliged to, and dependent on us, than we on them. Let us no longer give ourselves up to degrading terror and apprehension at the idea of losing an old mart for our manufactures; nor to infantine and irrational joy, at the prospect of acquiring a new one; but regarding such events with the indifference they merit, let us view these fluctuations of affairs with unconcern. In fine, let us cultivate our own internal resources; let our consumers increase their consumption of home-made luxuries, in order to give employment to the increasing population of the manufacturing class, and thus contribute, by the only mode practicable in Europe, to the advancement of the grand source of all wealth, agriculture; and by continuing to act on this system, there would be no assignable limit to our wealth and prosperity, which may be gradually augmented, till the population of Great Britain and Ireland is sixty, instead of sixteen millions; and every acre of land in the two islands is cultivated like a garden.

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BESIDES the advantages just mentioned, resulting from the acquisition of right ideas, relative to the value of commerce, there are several other considerations which render correct notions on this subject highly desirable, some of which are of such importance, as to deserve a distinct attention.

Having estimated the value of commerce aright,

we need not look forward with dismay to the occurrence of an event, which, in all probability will, in no very long period of time, take place; I mean, the very considerable diminution of our trade. The malignant attempt of Buonaparte, to shut us out from the Continent, will certainly not be long effective\*; nor will the Americans persevere many months in punishing themselves by way of being revenged on us. It is not, therefore, to the operation of causes such as these, that I allude, as being likely permanently to diminish our trade, but to the influence of causes acting within ourselves, which, though their effect may not be perceived in ten years nor in twenty years, will, almost certainly, eventually be productive of this result.

How is it, that we have been able so greatly to surpass the other nations of the globe, in the extent of our commerce? Because, from the amount of our capital, and the excellence of our machinery, we have had the power of underselling all competitors in the foreign market. The question is, whether we shall be able to retain this superiority: for the mo-

\* When this paragraph was written, there seemed some little hope that Buonaparte would not acquire the extended power requisite to enforce, with effect, his system of exclusion. Unhappily, he has now gained this power, to his utmost wishes, and the Continent is hermetically sealed against our commerce. If this system of things continues any length of time, of itself it will greatly tend to hinder our trade from attaining, in future, its wonted extent. When the Continent has been forced to supply itself with the manufactures which it usually procured from us, it will be no easy matter to divert trade into the old current. Even if we could speedily make peace, there seems little reason, from what we saw of the policy of Buonaparte after the treaty of Amiens, to hope that he would allow the entrance of our manufactures into the Continent, of which, in fact, he is the sovereign, on the ancient favourable terms. High duties and prohibitions, would give the continental manufacturers advantages which they never before possessed. — Some persons most absurdly argue, that Buonaparte's system of exclusion is injurious to the continental manufacturers. No idea can be more erroneous. Monopoly is the idol of the manufacturer; and he wishes for nothing better than such a command of the home market as our enemy has bestowed upon him. What does he care about the high price of the raw material, if he have no competitors who can buy it at a cheaper rate? To talk that the French manufacturers cannot procure raw cotton is preposterous. The strictest blockade will not hinder them from getting it from America; but the sage politicians who reason in this way, forget that this article is grown in Turkey also.

ment the manufacturers of France, or of Germany, can offer as good an article as ourselves, at a lower price, our commerce with these countries, and with other nations, to which they have unrestrained access, must naturally cease. Now, there are many reasons which make it probable that we shall not long retain this superiority in the foreign market, arising from the lowness of price and goodness of quality, of our manufactures. The advantages derived from our extent of capital and excellence of machinery, are already counterbalanced by the high wages of labour in this country, which are probably twice as much as on the Continent. Even in Dr. A. Smith's time, the English manufacturers complained that the wages of labour were so high, that they could scarcely enter into competition with the foreign manufacturer. Since, then, wages have greatly risen; and if we advert to the cause of their rise, we shall see reason to believe, that they will be still higher.

The much greater value of land and of food, and consequently of labour, in this country, than in the neighbouring nations, must be attributed to the operation of some internal and peculiar cause; for if it had arisen from the depreciation in value of the precious metals, this circumstance would have influenced the prices of land, and food, and labour, in an equal degree, in the rest of Europe. Some have accounted for this rise from the great issue of a fictitious circulating medium in this country; but probably without reason: for though, when we compare the mint, and market price, of bullion, there seems ground for believing that our paper currency is depreciated to the extent of 2 or 3 per cent.; this circumstance by no means accounts for the rise in prices of nearly 100 per cent. within the last 25 years. It is more probable, that these advanced prices are to be attributed to the existence of our immense national debt, in which circumstance it is, we chiefly differ from the

rest of Europe. In the creation of the national debt, large sums have, at intervals, been converted from capital into revenue, and have been expended, either in articles of food or of manufacture. In both instances, the demand for food has increased; its price has advanced; and, in the end, the price of labour, and of every thing else, which naturally depends on the price of food, has advanced in an equal degree. Now, if the increased rate of wages in Britain has been brought about in consequence of the augmented amount of the national debt\*, as this debt will, ac-

\* As the high rate of wages in this country is to be attributed to the national debt, and as these high wages will probably, in the end, destroy our trade; if this nation were really dependent on its commerce, the existence of the national debt, and its increase, ought to be looked upon as the most baneful impediments of our wealth and prosperity: and, indeed, they are regarded as such by most writers on political economy. For my own part, however, I am inclined to believe this opinion to be erroneous, and that the national debt, instead of being injurious, has been of the greatest service to our wealth and prosperity. This apparently paradoxical position, it is impossible to consider at large in this place; and I shall merely mention the general arguments on which it is built.— It has been shown, that, in a country, acting on a system similar to the one we follow, agriculture can only be extended by a constant and increasing expenditure amongst the class of land-proprietors; and the baneful consequences which would ensue, if this class were to cease to expend, and were to convert its revenue into capital, have been pointed out. Notwithstanding all the declamation which has been made by moralists against the extravagance and profusion of man, it appears, that he is, in fact, much more inclined to save and to hoard, than to spend. Hence our land-proprietors have never fully performed their duty, they have never expended the whole of their revenue, and thus they have not contributed so essentially, as they might have done, to the prosperity of the country. What the land-proprietors have neglected to do, has been accomplished by the national debt. It has every now and then converted twenty or thirty millions, of what was destined for capital, into consumable revenue, and it has thus given a most beneficial stimulus to agriculture. Capital is essential to a nation; but a nation may have too much of it: for what is the use of capital but to prepare articles on which a revenue may be spent; and where is the revenue to be spent, to be derived from, if it be all converted into capital? When, during a war, a loan of twenty or thirty millions is made, in what is the sum expended? Is it not consumed in providing food and clothing for the army and navy; in building ships; in purchasing arms and ammunition, &c.? From this expenditure, then, results great direct advantage to the farmer, to the clothier, to the ship-builder, to the owner of timber, &c. And as in consequence of their profits, their own expenditure increases, the advantage is disseminated amongst every branch of society. Expenditure, in short, is the very essence of a system like ours; and what difference can it make to the prosperity of the country, whether it is indebted for this expenditure to the government or the subjects? But it will be said, “Admitting the original conversion of capital into revenue to have been advantageous, are not the taxes with

ording to the present appearances of things in Europe, be yet considerably increased, we must look forward to a still greater rise in the price of food and

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which the community is burdened in perpetuity, for the payment of the interest of the different loans, injurious to the wealth of the society; inasmuch as by the payment of these taxes, the consumers have their power of consuming diminished?" I answer, No. These taxes, paid for the interest of the national debt, are, perhaps, a greater cause of prosperity than the original debt was, since they are, for the most part, constantly devoted to the purchase of consumable commodities. And inasmuch as all taxes, in the end, fall upon the land, the grand source of all revenue; the land proprietors, by means of the sums drawn for the interest of the national debt, are obliged to spend much more than they would otherwise do, and thus more essentially contribute to the national prosperity. Those who contend that the deprivations to which the payers of the interest of the national debt are obliged to submit to, must necessarily diminish the demand for the industry of the country, forget that, although the sums they pay are not by themselves expended in consumable commodities, yet they are so expended by the receivers of the interest of the national debt. Though the land proprietor, the farmer, the manufacturer, now consume less luxuries than if they had not to pay one half of their income (which they really do pay) in taxes, yet the stockholder takes their place; he expends the sums which they save, and thus the effect is just the same on the prosperity of the nation. It may be hard, perhaps, that one large branch of society should have its enjoyments curtailed, in order that another smaller branch may partake a share of them; yet, as members of the same community, there seems no just reason why the interest of one should be preferred before that of the other; and it should be recollected, that, in virtue of the mortgage which the stockholder holds on the real property of the kingdom, he has, in fact, a *right* to his share of the revenue which it produces. The sole effect which results from the payment of so large a sum as the interest of the national debt, is, that twenty or thirty millions are taken annually from one part of the society, and given to another: and inasmuch as by this operation, enjoyment is communicated to a larger number of human beings, the national debt is, in this point of view, also beneficial. Heavy taxes are doubtless oppressive to many of the members of a society, individually considered, yet, where the whole, or by far the greater part of the taxes of a nation, are expended in that nation, taxation may be carried to a very great extent without injuring national prosperity. Of the sixty millions, which this country pays annually in taxes, all that part which is destined for the service of government, and by far the greater part of that portion which is to pay the stockholders, is expended before the end of the year, in the purchase of food and of manufactures, and is thus returned to the society which has advanced it. But it is urged again, that the sums paid in taxes are expended in maintaining unproductive labourers, and that if the subjects, instead of the government, had had the spending of this money, it would have employed productive labourers. This is certainly the case; but if we have already productive labourers sufficient for the supplying all our wants, why increase the number? It appears, that of the population of Britain, about two millions only are required to furnish us with all the articles of trade and manufacture, which we have ourselves occasion for, as well as all we export. Why, then, should we wish for a greater number of productive labourers than we need? A nation which should determine that all its members should do something, and therefore manufacture ten times more than it could make use of, accumulating an immense stock of pots and pans, of

of labour, and consequently, our manufacturers will find it more than ever difficult to meet the competition of foreign rivals, who can purchase labour at a

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tables and chairs, would be just about as wise, as a virtuoso, who should collect all the old hats and wigs he could lay his hands on. An extended population enjoying prosperity, that is, abundance of food, of clothing, and a tolerable share of luxuries, is what a nation should chiefly endeavour to attain; not merely an accumulation of wealth. Now, in this country, when the most taxes are paid, that is, in time of war, the bulk of its population enjoy greater prosperity than at any other time. Just now, for example, never were the bulk of the people so prosperous. In consequence of the demand for men for the army, where they are well fed, well clothed, and live in indolence, there is a deficiency of labourers in every branch of industry; in course, the wages of labour are high, and food being at the same time cheap, the whole of the lower class enjoys a state of prosperity, which it is impossible it should enjoy on the return of peace, (even though the taxes should be much less than they are now), when 300,000 competitors will be thrown into the market of industry. Though, therefore, the weight of taxes should grievously oppress several hundred thousand of those in the middle rank of society, whose incomes are fixed and small, yet this very oppression is the means of bettering the condition, and materially relieving several millions of the lower ranks of society. It does not indeed follow from hence, that heavy taxes are desirable; because the prosperity of the *whole* of society *might* be maintained without them; yet it follows, that heavy taxes cannot easily be the ruin of a state, where, by their very means, the majority of that state enjoys greater prosperity. The above considerations will also show the absurdity of all those calculations by which it is endeavoured to prove, that if the national debt had not been contracted, we should have been at this time six hundred millions richer than we now are. We might, with as much propriety, calculate, that if the land-proprietors of this country had for the last hundred years saved, instead of spent, their revenue, the nation would have been worth six or eight thousand millions more than it is worth now. But we perceive at the first glance, that if the land-proprietors had converted their revenue into capital, for the first five years of this period, in the next five years they would have had no revenue at all. We know that their expenditure has increased, not lessened, their wealth; and if the national debt have tripled and quadrupled the value of landed property in this kingdom, though most other things which the land proprietor has to purchase, may be also increased in value, still it cannot have lessened the national wealth. If a land proprietor now receive 10,000l. a year for land, for which, fifty years ago, he would have gotten only 3000l. a year, even though he has now to pay 3000l. a year in taxes, and had formerly nothing to pay, and the articles of consumption be now twice as dear as they were, still he cannot be said to be poorer in consequence of the national debt; and still less can the nation be said to be poorer in consequence of the debt, since the greatest part of the 3000l. paid by the land-proprietor, is transferred to the revenue of some other part of the community.—It is not meant to be asserted, that the expenditure of the *whole* of the sums constituting the national debt, has contributed to the wealth or to the prosperity of the country. A considerable portion of it has been expended for the maintenance of our armies in foreign countries, and another but too considerable portion of it has been spent in subsidies granted to our allies. Both these portions of the national debt have been completely thrown away, and have been of no service whatever to the national wealth or prosperity. Nor do I mean to say, that the sums spent

price so much less. Even if we look forward to a continuance of the present price of labour, the increased industry and capital, and improved machinery of the nations we now supply with manufactures, will, in the course of twenty or thirty years, when added to the advantage which their low rate of labour gives them, enable them to undersell us in their own, and perhaps in foreign markets. If we cast a glance at the probable improvements which would take place in the manufactures of other nations of Europe, in a few years, if peace should be concluded, we shall be satisfied of the accuracy of this statement. France, for instance, has at present, five or six hundred thousand soldiers. When this mass of population (a much greater mass than we now employ in the manufacture of our articles of export,) shall be disbanded, and have ceased to live on the plunder of other countries, they will naturally become manufacturers; and, as France already fabri-

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at home, might not have been much better employed, than in maintaining the large naval and military forces rendered necessary for our protection, in consequence of the wars in which we have been engaged. If three or four hundred millions of the national debt, which has been spent in this way, had been expended on national improvements; in the formation of excellent roads over every part of the kingdom; in the widening and deepening of rivers and harbours; in the building of public edifices; in the instruction of youth; and in other national undertakings; the very same advantage would have accrued to the country from the expenditure of this sum, and Britain would, by this time, have been an earthly paradise. All that I contend for, therefore, is, that notwithstanding the unprofitable way in which the greater part of the national debt has been consumed, notwithstanding the absolute and entire loss of a large portion of it, still, with all these disadvantages, it has been on the whole favourable to national wealth and prosperity. — If the formation of the national debt, by the conversion of superfluous capital into consumable revenue, have been advantageous to the prosperity of the country, by the same mode of reasoning it will follow, that all attempts to pay off this debt, by the conversion of sums destined for consumable revenue, into capital which is not wanted, must be injurious to national prosperity: and hence, that the sinking fund, if it were to operate extensively, which from the constant creation of new debt, it has never yet done, would be in its consequences highly baneful and injurious. But, on this point, the unreasonable length to which this note has already extended, forbids me to enlarge, and I must refer such of my readers as wish for farther information, to the Earl of Lauderdale's reasoning on this subject, in his "Inquiry into the Nature and Origin of Public Wealth:" which, to my mind, is convincing, and has not been substantially refuted by any of the objections made against it which I have seen.

cates nearly as much as she has occasion for, she will then not only fully supply her own wants, but probably have a considerable portion to dispose of. The manufacturers of Germany, too, will, in time of peace, regain the importance they once had. Spain and Portugal, in their present state of apathy and indolence, need not be feared as competitors, but if their energies be aroused, as seems likely to be the case, by a new government appointed by Buonaparte, we certainly cannot calculate upon their custom for any length of time, since they possess within themselves a profusion of materials for manufacturing all we furnish them with. Russia, even now, does not consume any great amount of our manufactures, and in proportion as she advances in civilization, and, increases her manufacturing class, will require still less. So that, even though America should find it her interest to purchase her manufactures for a century to come, and even though other openings for commerce should be made in South America, in Asia, or in Africa, still we should have so many competitors, all able to afford goods cheaper than we could, by reason of the cheapness of the labour employed on them, that our trade would, upon the whole, be greatly diminished. It is in vain to talk of the excellence of our machinery, as insuring us a decided advantage over other nations. From the very nature of things, it is impossible that we should be able to keep secret the construction of any large machine, made use of in an extensive manufacture, and, accordingly, the fabrication of our improved cotton and woollen machinery, is as well understood in France, as in England.\* Our capital, then, will be the only remaining circumstance in which we shall probably, for a time, be superior to the rest of Europe. But this superiority cannot last long. When capital is at all acquired, it rapidly accumulates; and even supposing our capital to increase, in the same

\* See the *Anthænæum*, vol. ii. p. 222.



degree with that of our rivals, this event would reduce the profit of stock so low in this country, that we should be willing to lend it, as the Dutch did, to any other nations, which, in consequence of the cheapness of labour, could afford to give more for it.

As far, then, as we are at present able to foresee, it seems highly probable, that, in the revolution of no very long period of time, we shall lose a portion, perhaps a considerable one, of our commerce. If the system, which esteems commerce the source of our wealth and our prosperity, were well founded, this would be a dreary and melancholy prospect. To every disinterested patriot, who carries his ideas farther than the present moment, it would cause the most distressing feelings, to reflect, that in a few years, in less than half a century, perhaps, his country was destined to lose the source of her greatness, and after having stood so proudly pre-eminent amongst nations so long, was at length doomed to retrograde into poverty and insignificance. But when we entertain correct notions on this subject, no such gloomy apprehensions need dismay us. We know, that all our riches and greatness have been derived from our internal resources, which, whether we have little or much commerce, will remain to us; and we know, that we can always obtain the very few necessary articles which we do not produce. The diminution of our commerce, is therefore a matter of perfect indifference to us. We shall be debarred, in consequence, from the use of a few luxuries, which, on the whole, do us more injury than benefit, but all the solid foundations of our prosperity and happiness, will be unaffected and unmoved.

Another important advantage which would result from the general spread of correct ideas, on the relative value of our commerce, would be the cessation of the jealousy and envy with which we are now regarded by the rest of the powers of Europe, and by America, and a consequent diminution of the causes of future wars.

The false opinion, that all our riches and our greatness are derived from our commerce, is not peculiar to the inhabitants of this country. All the rest of the nations of Europe, as well as the Americans, are of exactly the same sentiments. And no wonder they should be. If we, who are on the spot, are so blinded by the superficial appearances of things, can it be expected, that foreigners, at a distance, should form more accurate conceptions? They see, that with an extensive trade, we are rich; whilst they, without trade, are poor. What then can be more natural, than that they should deem our commerce the cause of our riches; especially when they hear our senators and our statesmen maintaining the same doctrine, and in their speeches on the state of the nation, dwelling with rapturous exultation on the vast amount of our imports and our exports, whilst every other source of wealth is deemed unworthy of attention?

Now, it follows from the very conformation of the human mind, that the other powers of the globe must regard with envy, a rival which monopolizes what they esteem the grand source of wealth. They must necessarily embrace with eagerness every opportunity that presents itself, of diminishing our share and increasing their own, of this supposed mine of riches. Hence arose the Northern Confederacy, the late non-importation law of America, and all the various attempts which Buonaparte has made, at different times, to injure our commerce. The framers of all these schemes, have acted on the conviction, that the most effectual way of injuring us, was to do all that laid in their power, to lessen our trade. No such plans for our annoyance would ever have been projected, if correct notions of the value of commerce had been adopted by ourselves, and proclaimed to the rest of the world. If other nations knew, that we believed all our wealth to spring from our internal resources, and esteemed our commerce a mean of procuring us luxuries merely, and that we regarded them as much more dependent on it than

ourselves; they would scarcely entertain such idle hopes, as that they could ruin us, by prohibiting that part of our commerce which depended on them; or be such fools as to injure themselves, for the sake of inconveniencing us.

The people of America have been so long accustomed to hear English writers expatiate on the importance of the market which their country affords to our manufactures, that they have persuaded themselves, they could not be more effectually revenged for the insults which they fancy they have received from Britain, than by shutting up this market against her. They vainly imagine, that the loss of a market for eight or nine millions of our manufactures, will be of such serious injury to us, that we shall eagerly accede to all their demands, in order to avert so dire a misfortune; and, therefore, though they are sensible that we can do much better without their tobacco, than they can do without our woollens and hardware, they are willing to suffer this inconvenience, fancying that they can exist a year or two without our custom, whilst we shall be ruined without theirs.

Buonaparte, too, reasoning in the same way with the Americans, has believed, that if he could annihilate all our commercial intercourse with the Continent, he should do much towards destroying our resources for carrying on the war. He has accordingly long ago interdicted the use of English manufactures in France and in Holland; and having now unfortunately acquired the means of enforcing his mandates over the whole of Europe nearly, he makes himself full sure of accomplishing his purpose.

But neither Buonaparte nor the Americans would have ever formed such wild projects for our annoyance, much less would they have resolved, even to injure their own subjects, in order, if possible, to ruin us, if they had not been so grossly deluded, with regard to the actual importance of our commerce to us, by the erroneous ideas on this point, which we

have so long maintained, and so industriously propagated.

It may be said, if our commerce be really no source of our wealth, it is of little consequence, whether our enemies diminish it or not; but it should be considered, that though the loss of any particular branch of commerce, is of small moment in a national point of view, it is a very serious inconvenience to the individuals who are concerned in it; and on this account, an evil which it is highly desirable should be avoided. For the sake of humanity, too, it is greatly to be wished, that more correct notions as to the real sources of national wealth, and the relative value of trade, were universally spread amongst the nations of the world. They would then no longer think it necessary to wage destructive wars, for the sake of extending their commerce. They would no longer endeavour to trick and cajole each other in the formation of commercial treaties; nor think it necessary to permit the importation of the products of one neighbour, whilst those of another were prohibited, or loaded with heavy duties; thus giving constant occasion to jealousies and disputes. But, being convinced, that the only source of riches is the soil; that every country possesses within itself abundant sources of wealth and prosperity, and that commerce is but an interchange of superfluities, alike beneficial to all, and the origin of wealth to none; they would apply themselves, in the first place, and principally to their concerns at home, and be little anxious to extend their trade with other nations, except as a mean of increasing the enjoyments of the human race, and of spreading religion, civilization, and science, over the globe.

Another advantage, and the last which I shall advert to, which would result from the spread of correct ideas on the relative importance of commerce, would be, freedom from all anxiety respecting our present or future possession of the colonies which belong to us in different parts of the globe.

On the system, which esteems commerce as the grand source of wealth, colonies, inasmuch as they confer a monopoly of their trade on the nation which possesses them, are regarded as of first-rate importance; and no expense is thought too great for the purpose of acquiring new, or retaining old, establishments of this kind. Of all the powers of Europe, Britain has engaged most deeply in the colonial system, and she herself, as well as the nations around her, attributes a great portion of her wealth, to the number and extent of her possessions in the eastern and western hemispheres. If this opinion were founded in truth, if our colonies were really such sources of wealth as they are represented, we should have great cause to look with dread into futurity; for the chances, that we shall for any long time maintain possession of them, do not seem much in our favour. We have seen one colony, in the immediate neighbourhood of our own, wrested by the negroes from its European mother country; and have we not great reason to fear, that the slaves of our colonies, with such an example before their eyes, will, sooner or later, release themselves from our authority? Should the blacks of St. Domingo be able to resist the attempts of the French for their subjection, and succeed in establishing an independent and regular government, they will not fail, by means of their commercial intercourse, speedily to become civilized and powerful. When these changes have taken place, they will certainly leave no stone unturned, to break the chains of their brethren under our dominion; and, with the local advantages which they possess, it will be next to a miracle if they do not succeed.

Our possessions in the East are still less secure. Of late years, the difficulties of maintaining our authority there, have rapidly augmented; and it seems morally impossible, that a native population, of thirty or forty millions, surrounded by jealous powers, ever ready, on a favourable opportunity, to

aim at the reacquisition of the territory they have lost, and, assisted by the military skill and knowledge of our European enemies, should long continue in subjection to a few thousand Englishmen.

If, then, our colonial possessions are held by so unstable a tenure; if we have so good reason to believe, that we shall be deprived of them, before any long period has elapsed, surely we must gladly listen to any well-founded arguments, which shall prove, that on this score we have nothing serious to apprehend; and that though our East and West India colonies were lost to us to-morrow, inasmuch as we gain no wealth from our commerce with them, it would, in a national point of view, be of no importance to us.

But, as the false doctrine of the importance of colonial possessions, as a source of wealth, has taken such deep root in the minds of most persons, and as it is almost deemed an axiom, that our commerce with them is particularly profitable, I shall beg to advert a while longer to this point, though I shall be obliged to repeat part of what I have before advanced on the subject of trade in general, and though this is not exactly the regular place for this discussion.

It is maintained, that our commerce with our colonies is particularly advantageous, because the capitals employed in raising the produce which we import from thence, are British capitals; and because the profit derived from the employment of these capitals, is drawn into, and expended in, the mother country. But a slight attention to the subject will show, that these circumstances do not render this species of commerce more profitable than any other species. I admit, that, if the greater part of our colonial produce were sold, with a profit, to foreign nations, and if this profit were drawn, either in gold or silver, or in any other wealth, into the mother country, we should then gain an accession of wealth, equal to this amount from our colonies. But the fact

is, that by far the greatest portion of the produce of our colonies, is sold and consumed at home; and the West India planter does not realize his profit, until this event has taken place. It is, therefore, from the consumers at home, that the profits of this, as well as of all other commerce of import, is derived, and consequently, there is no creation of wealth effected by it. The proprietors of land in the West Indies, annually import into this country, sugar, rum, coffee, &c. to the amount of about ten millions, and in general may gain on these articles, a profit of one million. But is it not self-evident, that this profit is drawn from the consumers of West India produce, and, that exactly in proportion to the gains of the planter is their loss? It may be said, perhaps, that as the value of our imports from the West Indies is ten millions, and the value of our exports not half so much; and as we certainly do not send there any balance of the precious metals, there must remain a clear national profit of the difference in value, between the imports and the exports. This, however, is a mistaken supposition. Though Britain does not directly export, perhaps, more than five millions worth of her manufactures to the West Indies, still, as it is with the capital of her subjects, that these islands are cultivated, she must eventually pay the whole cost of bringing their produce to market; and, consequently, she cannot gain more profit by this trade, than the West India proprietor gains. Now, it is very well known, that the profits of West India planters are by no means one hundred *per cent.* Twenty years ago, by the estimation of one of the strongest advocates for the colonial trade, Mr. Long, eight *per cent.* only was the profit of a West India planter upon his capital.\* Since then, complaints of the unprofitableness of the trade, have been increasing every year, and, just now, the merchants concerned in it, find it necessary to apply for permission to open a new

\* Young's Annals of Agriculture, vol. x. p. 538.

channel at home, for the consumption of their produce, in order to realize their ordinary profits.\* The

\* It has been lately announced (November, 1806), in the public papers, that the West India merchants have had communications with government, for the purpose of obtaining permission for the use of sugar in the breweries and distilleries, in lieu of barley; and it is added, that such an arrangement has been made. I sincerely hope this is a mistake. If not, well may we exclaim, — When will governments learn to let affairs of trade take their own course, and cease their pernicious schemes of relieving one part of the community at the expense of another! At different periods it has been thought requisite, for the encouragement of agriculture, to give a bounty on the exportation of grain. Now, it seems, it has been discovered, that agriculture flourishes too much, and it is proposed to deprive the farmer of one of the principal markets for his barley, for the advantage of the West India planter. But can any thing be more impolitic than to discourage the cultivation of our own soil, for the sake of promoting the cultivation of soil in the West Indies? The principal reason, however, why such a measure should be deprecated, is, that we shall thereby deprive ourselves of one valuable resource in times of occasional scarcity of food. The same senseless clamour which has in this country been raised against dealers in corn, has been frequently turned against our practice of devoting so much land to the production of corn for horses, for breweries, and distilleries. It has been said “What a shame, that the food of so many human beings should be thus consumed!” It is not considered, that our habit of raising so large a quantity of the inferior kinds of grain, which we apply to other purposes than the food of man, but which may at any time be made to contribute to his subsistence, furnishes us with a granary, if it may be so called, to which, whenever there is need, we can have recourse, and most effectually ward off the possibility of famine. If all the grain in this country were consumed as the food of the inhabitants, what would be our condition, if the next year, for instance, our harvest should fail, and we should continue to be, as we now are, excluded from supplies from the Continent? Or, what would our condition be, at any period, if, what is by no means an improbable supposition, the countries from whence we usually draw our supplies of grain, in times of scarcity, had at the same time a scanty crop, and not more than their own needs required? It is evident, that on such a supposition, we must submit to all the horrors of famine. But while we continue to raise so many millions of quarters of barley, of oats, of beans, none, or very little of which, we make use for food, it is obvious, that we can scarcely, in any case, suffer more than a slight inconvenience from a deficient crop of our usual food, wheat: since we can always, on such an occurrence, cease to drink ale, to distil spirits, and to feed our horses with corn, and can make use of the barley, oats, and beans, thus diverted from their usual office, as food for ourselves, until the return of another harvest. In this point of view, it is of incalculable importance, that the production of grain usually devoted to other purposes than the food of man, but which, when occasion requires, can be employed as a mean of subsistence, should be encouraged in the greatest degree possible: and hence the proposed permission for distilling spirits from sugar, will be injurious to the country in two ways. It will depress the most profitable of all branches of industry, agriculture, for the sake of encouraging a branch of industry, which is no source of profit whatever; and it will materially tend to diminish the internal and certain, and therefore inestimable, resources of the nation, against occasional deficiencies of grain.



only profit, then, that Britain can get by this trade, is the profit of those concerned in it. The West India planter would never pretend, that the nation gets rich by our colonial commerce, when he derives no profit from his trade. But the profit of the West India planter, is merely transferred to him from the consumers of his articles : the nation, therefore, cannot gain any accession of wealth whatever from this trade, any more than from any other trade of import.

From our possessions in the East Indies, it is still more clear, that we derive no accession of wealth. No one will pretend, that the tea, &c. which we import from them, are raised by British capital, and consequently, every one must admit, that whatever may be the profit of the East India Company, on the articles they import, the whole of it is drawn from the consumers of these articles ; and therefore, that the dividends of the East India proprietors, are no creation of wealth, but a mere transfer from the pockets of the community to theirs. The only way in which any national profit could be drawn from our East India territories, would be from taxes levied upon the inhabitants there, and transmitted to England. But it is well known, that the East India Company's expenses, far exceed any territorial revenue which they derive from their unwieldy dominions ; so much so, that they are already upwards of thirty millions in debt, which, in all probability, the nation will very shortly have to take upon its own shoulders.

Thus, then, in every point of view, it appears, that this nation derives no wealth from its colonial commerce, any more than from any other branch of commerce ; and hence, although there is certainly no reason why we should give up our colonies, so long as we can preserve them without any enormous expense, yet we may dismiss from our minds, all fear and anxiety as to our future possession of them. If we are deprived of them by the occurrence of events, out of our power to control, we have, for our consolation, the reflection, that they are by no means essential to

our well-being : and that, as our wealth has increased since the loss of the most important of our colonies, North America, so it certainly would continue to increase, though we had not an inch of territory on the globe, besides our own favoured island.

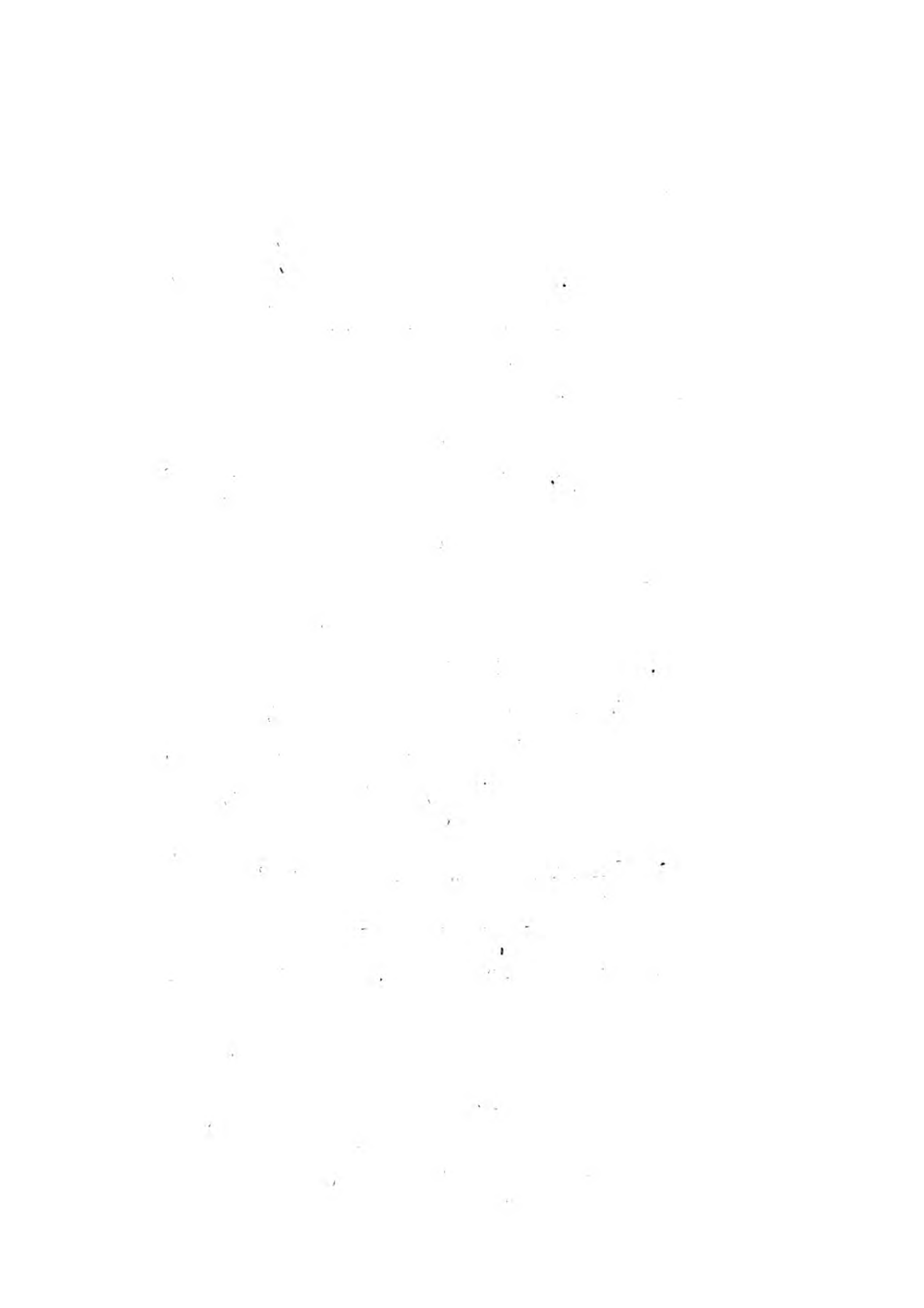
Many other considerations naturally arise out of this subject, but the limits which I have prescribed to myself, forbid any further extension of my remarks. I shall have attained the end which I had in view, in writing these observations, if even a few of my countrymen are induced by them, to give up the humiliating and degrading opinion, that Britain, — of all the nations that ever existed, the most rich and prosperous, — is indebted for her prosperity to the powers around her, and dependent for a continuance of these blessings, on the caprice of one set of customers, or the tyranny of another : — If even a very small proportion of my readers are led by the arguments here adduced, to participate with me in the gratifying conviction, that our wealth and our greatness are wholly derived from our own resources, and independent of every thing external ; and that, though Britain, according to Bishop Berkeley's idea, were surrounded with a wall of brass, ten thousand cubits in height, still she would as far excel the rest of the nations of the globe in riches, as she now does, both in this secondary quality, and in the more important ones, of freedom, virtue, and science.

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**AGRICULTURE**  
THE SOURCE  
OF  
**THE WEALTH OF BRITAIN;**  
A  
REPLY  
TO THE OBJECTIONS URGED BY  
**MR. MILL,**  
THE EDINBURGH REVIEWERS,  
AND OTHERS,  
AGAINST THE DOCTRINES OF THE PAMPHLET,  
ENTITLED  
**“ Britain Independent of Commerce.”**

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LONDON. 1808.



# AGRICULTURE

THE SOURCE OF

## THE WEALTH OF GREAT BRITAIN.

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**I**N the introductory pages of the pamphlet, the doctrines of which I am now about to defend, I have explained the motives that induced me to write it.

Long since convinced of the slight importance of British commerce, and of the futility of our enemy's attempt to injure us by destroying it, I felt indignant that my countrymen should with so little reason tremble at the tyrant's impotent decrees; and that they should evince, by their fears of losing their trade, that his sarcastic allusion to our shop-keeping notions was not unmerited. The trepidations of those who dreaded that a nation which annually at the lowest computation derives a revenue of one hundred and twenty millions from its soil, might be seriously injured by the loss of its commerce, from which I could not persuade myself that it derived any essential wealth, and from which, at any rate, not a twelfth part of its annual revenue could be drawn, seemed to me as much deserving of pity as the hallucinations of the hypochondriac, who, with a fortune of thousands, fancies the loss of a single customer will be his ruin; and the one case appeared as much to demand an argumentative, as the other a medicinal application.

Another motive had a considerable share in leading me, at the present juncture, to give my thoughts on this subject to the public. I have frequently lamented that the true principles of political economy, a science important above most others for its influence upon human happiness,—should be so little attended to in this country. Dr. Smith has now been read and talked about for thirty years; but if we may judge from the reformation which remains to be made in the popular opinion upon most of the subjects which he treats, the great principles of the science have taken but very superficial root among us. In times of scarcity, our magistrates and clergymen still talk about the evils of forestalling and regrating; and in the senate, we still hear the value of a branch of trade, estimated by the balance of gold and silver, which it is supposed to leave. Erroneous opinions such as these, can be eradicated only by a frequent recurrence, whenever temporary topics have directed the public attention to the subject, to the great principles of the science. I was not without hope, therefore, that the interests excited by existing events might attract the attention of many, to inquiries in general unjustly regarded as repulsive; and that the discussions which would probably be occasioned by the unpopularity of my opinions, would, in the end, whatever might be the result of the investigation, tend to the extension of the study of political economy amongst us.

The objects which I had in view, have been accomplished in a much greater degree than there was any reason to expect, or even my wishes led me to hope.

I have had the satisfaction to know, that many of those who saw approaching ruin in the success of our enemy's projects against our trade, have had their fears dissipated by my statements relative to the paramount importance of our internal resources. And the investigation which the subject has in consequence undergone, can scarcely have failed to

introduce a few of the readers of the controversy, to an acquaintance with a branch of knowledge of whose existence they were previously ignorant; and to place some of its principles on a firmer basis.

As I originally promulgated my opinions merely because I believed them to be true, without having the slightest interest to serve in maintaining them, I have felt no pain that they have been pronounced erroneous by the majority of those by whom they have been publicly canvassed. I have read with as much unbiassed attention as I could give, the numerous criticisms upon them which have appeared in such of the periodical publications as I have access to; and if they have failed to convince me of the fallacy of my doctrines, it has not been for want of due consideration of the statements of my opponents.

But, witnessing in the whole of them, either a misapprehension of my arguments; a mistaken view of the conclusions which it was my object to enforce; or the use of reasoning to me in nowise convincing, I was anxious to have an opportunity of making those explanations and illustrations, the want of which, in consequence of compressing into a pamphlet what ought properly to have been expanded into a volume, seemed to have given rise to most of the objections I had seen. It would have been impossible, however, satisfactorily to have replied to arguments and criticism scattered over the pages of newspapers and reviews, and I wished therefore that some opponent might think proper to bestow upon me a commentary, which embodying the substance of the chief objections that have been advanced, would be worthy of a detailed reply.

Such a commentary has at length appeared in the pamphlet of Mr. Mill\*, to which I am now about to advert, and with which, after having perused and re-per-

\* "Commerce defended. An answer to the arguments by which Mr. Spence, Mr. Cobbett, and others, have attempted to prove that Commerce is not a source of national wealth."

used it with the deepest attention, I can with truth say, that I have been considerably gratified. Mr. Mill is evidently more versed in Political Economy than the majority of my periodical assailants; and recognizing in him the author of a review of my pamphlet which appeared in the *Eclectic Review*, I am not sorry that my work has been subjected to the ordeal of the detailed examination of a political Economist, whose habits of criticism must have made him particularly keen-sighted to the faults of other writers. It has given me not a little satisfaction that, after such a scrutiny, I can still regard the main principles of my pamphlet as unshaken, and its conclusions as immovable. Mr. Mill has pointed out some apparent inconsistencies; he has detected some slight errors, and he has employed ingenious, though I think in accurate reasoning, in opposition to the subordinate parts of my argument: but the main position of the work—that *Britain is independent of commerce*—he is so far from having overturned, that he has explicitly admitted its truth. The pleasure of gaining such a confirmation of the solidity of this doctrine, from an opponent, has fully counterbalanced any trifling pain I might be supposed to feel from the sarcastic inuendoes (pardonable enough from a reviewer) which Mr. Mill has here and there thrown out; and the mistatements of my arguments, and gross misconception of my conclusions, which he, like many of his predecessors, has frequently fallen into.

Close upon the heels of Mr. Mill's work, followed a review of my pamphlet in the 22d number of the *Edinburgh Review*. This Journal has not pretended to enter into a minute examination of its contents; but as its authority is deservedly esteemed on topics of this nature, and as some of its arguments are different from any of those of my principal opponent, I shall advert to most of them in the following pages. — The explanations and illustrations which will be called for, in replying to these two criticisms, will, I believe,



include an answer to most of the objections that have been thrown out against me.

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BEFORE I proceed to the examination of the arguments advanced by Mr. Mill and the Edinburgh Reviewer, in opposition to the doctrines of my pamphlet relative to the sources of national wealth, it will be necessary, at some length, to point out the egregious errors into which the former gentleman has fallen, with respect to the conclusions which I have intended to deduce from these premises: and this is the more necessary, since the same errors have pervaded the reasoning of the greater part of my opponents.

These errors are two. First, the supposition, that because I have asserted the truth of the grand axiom of the Economists, that all wealth is created by agriculture, I have been desirous, or ought consistently to have been desirous, of an alteration of our present system of industry, and of the cessation of much of our present attention to manufactures, by which I have contended that wealth is not created. Secondly, the supposition, that I have maintained, in general, that wealth cannot be acquired by commerce, and that, on this account, and because I have denied that Britain is enriched by her commerce, I have recommended a diminution of our commercial pursuits.

1. That the former of these suppositions has been held by Mr. Mill, will be proved by a reference to his work. He begins in the very outset by asserting, 'That the main object of my pamphlet, as I expressly state is to apply the doctrine of the *Economistes* to the present circumstances of the country.' (p. 4.) A little further on (p. 14.) he says, '*A bias to the errors of the agricultural system* would not be less pernicious than a bias to the system, which it would supplant.' In the next page he observes, 'The landholders would deem themselves but little indebted

‘ to those gentlemen (Mr. Cobbett and myself ), *for*  
 ‘ *the establishment of their system.*’ And at page 57. he  
 says, ‘ Let us here intreat Mr. Spence to pause for a  
 ‘ moment, and to reflect upon the practical lessons  
 ‘ which he is so eager to teach us. He would have  
 ‘ us conduct our affairs on a plan which is not ap-  
 ‘ plicable to the present situation of the world, and  
 ‘ *abandon* the course by which we have attained our  
 ‘ actual prosperity.’

From these extracts, especially when taken in con-  
 nexion with the general tenor of the context, it is  
 clear that Mr. Mill has understood me, as blaming  
 the existing attention to manufacturing industry in  
 this country, and as recommending, in common with  
 the Economists, an almost exclusive devotion to  
 agriculture. But how a reader of my pamphlet,  
 and particularly one who has read it with such a  
 a lyncean eye as Mr. Mill’s, could fall into such a  
 gross blunder, is inconceivable. For reasons which I  
 shall shortly specify, I thought it important to insist  
 upon the truth of the main tenet of the Economists,  
 that the soil is the grand source of wealth ; but so  
 little practical use did I deem it necessary to make  
 of this axiom, that I have spent many pages in  
 showing, that manufactures have been the great  
 cause of our improved agriculture ; and that it is by  
 an attention to manufactures, that the European  
 nations can alone effect a productive cultivation of  
 their soil. Though I have denied that manufactures  
*create* wealth, I have attributed the greatest value  
 to them as transmuting and rendering permanent the  
 wealth brought into existence by agriculture, (p. 25.)  
 and I have expressly stated, (p. 30.) that it would  
 be impossible for a merely agricultural nation to  
 accumulate wealth. Indeed, so far am I from re-  
 garding manufactures as unessential to national  
 wealth, that (at the risk of being charged with incon-  
 sistency) I have stated as a conclusion from my  
 reasonings on agricultural and manufacturing industry,  
 ‘ that agriculture and *manufactures* are the two chief

‘wheels in the machine which creates national wealth, but that of these two, (at least in states constituted as those of Europe are) it is the latter which communicates motion to the former,’ (p. 31.) How then can Mr. Mill, with a shadow of reason, charge me with having ‘a bias to the errors of the agricultural system’ — with wishing ‘for the establishment of this system’ — or ‘with being desirous that we should abandon the course by which we have attained our actual prosperity?’ In fact, with reference to the admissions which I have repeatedly made of the value and necessity of manufactures, Mr. Mill might, with greater plausibility, have charged me with making a distinction without a difference; with denying that manufactures create wealth, but virtually admitting that they do.

But Mr. Mill will inquire probably, “Why, since you place so little value in practice upon this distinction, insist so strongly upon its theoretical truth;” — I will endeavour to satisfy him. Two reasons principally induced me to pursue this course.

In the first place, by insisting upon this distinction, I hoped to contribute, in some degree, to root out the false opinion so prevalent in this country, that manufactures are a greater source of wealth than agriculture, and that the former enrich us independently of the latter. — Mr. Mill will say, perhaps, that no such absurd notion as this is commonly entertained: but if such be his opinion, I would beg to refer him to the scores of pamphlets which in any degree touch on this question, where he will almost constantly find our *manufactures* dwelt upon as the main cause of our greatness: — I would refer him to the conversation of mercantile men, in the estimation of nine-tenths of whom, the “grand staple of the country, the woollen manufacture,” is of infinitely greater consequence than all our agricultural industry; — and lastly, I would refer him to the senate, to Mr. Pitt’s speeches there, in which “the industry of our manufactures, improved machinery, and in-

“creasing manufacturing capital,” were constantly singled out as the pre-eminent causes of British grandeur. If he still wishes for a more precise instance of the prevalence of this error in the highest quarters, let him look over the celebrated pamphlet of Mr. Rose on the Revenue, and then say, whether statesmen who do not think agriculture worth adverting to, in an inquiry of this nature, can be aware of its paramount importance. Now, although, therefore, in any remarks addressed to a people holding correct sentiments on this subject, I might have deemed it superfluous to have insisted upon the essential distinction which exists between agriculture and manufactures, in the creation of wealth, I conceived myself imperiously called upon to enforce this truth, on readers who, I had cause to believe, were in general ignorant of it, or unimpressed with its importance.

Secondly, in an inquiry, the professed object of which was to hold out the consoling position, that no diminution of the revenue, either of the people or of government, need ensue from the loss of commerce, it was highly necessary to dwell upon that view of the causes of national wealth, which, justly, in my opinion, derives all revenue from the soil. Upon this obvious conclusion from the system of the Economists, I have not thought it needful to dilate in my pamphlet; yet I have repeatedly referred to it, and have deduced from it some of the most important doctrines there maintained. As Mr. Mill denies the truth of this position, I shall have occasion hereafter to attend to a more detailed examination of it. It is sufficient at present to adduce it as one of my chief reasons for insisting so strongly upon the grand axiom of the Economists.

I do not flatter myself that this statement will convince Mr. Mill of the propriety of contending for the truth of the Economists' doctrine, while I put no value upon it in practice. Mr. Mill, I am aware, will reply, as he has already reasoned in his pamphlet, ‘If Mr. Spence admits absolutely the axiom of the

‘ Economists, that land is the only source of wealth,  
‘ then he *must* admit the whole of their system, which  
‘ is built upon this axiom, with logical and unques-  
‘ tionable exactness ; but which we have found to be  
‘ utterly impracticable,’ (p. 63.) But the justice  
of this position I entirely deny. There can exist no  
reason why I should embrace the conclusions of an-  
other, merely because I admit the truth of his pre-  
mises. Mr. Mill says, the conclusions of the Econo-  
mists are logically deduced from their axiom. From  
this opinion I beg to dissent ; and as I have already  
stated the reasons for this dissent, it is not necessary  
to repeat them here. But that Mr. Mill may not run  
away with the notion that I am singular in thus ad-  
mitting the truth of the doctrine of the Economists,  
while I deny their application of it, he must allow me  
to direct his attention to an author who will be ad-  
mitted to be of some authority on this point. If Mr.  
Mill will turn to the introductory part of the edition  
of Dr. Smith’s “ Wealth of Nations,” by the French  
Political Economist, GARNIER, where the author com-  
pares the doctrine of Smith with that of the French  
Economists, he will find the following passage :—  
‘ The Economists saw that the original source of all  
‘ wealth was the soil, and that the labour of its culti-  
‘ vation produced not only the means of subsisting  
‘ the labourer, but also a net surplus, which went to  
‘ the increase of the existing stock : while, on the  
‘ other hand, the labour applied to the productions of  
‘ the earth, the labour of manufactures and com-  
‘ merce, can only add to the material a value exactly  
‘ equal to that expended during the execution of the  
‘ work ; by which means, in the end, this species of  
‘ labour operates no real change on the total sum of  
‘ national riches. They perceived that the landed  
‘ proprietors are the first receivers of the whole wealth  
‘ of the community ; and that whatever is consumed  
‘ by those who are not possessed of land, must come,  
‘ directly or indirectly, from the former ; and hence  
‘ that these receive wages from the proprietors, and

‘ that the circulation of national wealth is, in fact,  
 ‘ only a succession of changes between these two  
 ‘ classes of men, the proprietors furnishing their  
 ‘ wealth, the non-proprietors giving as an equivalent  
 ‘ their labour and industry. They perceived that a  
 ‘ tax, being a portion of the national wealth applied  
 ‘ to public use, in every instance, however levied,  
 ‘ bears finally upon the landed proprietors, inasmuch  
 ‘ as they are the distributors of that wealth—either by  
 ‘ forcing them to retrench their luxuries, or loading  
 ‘ them with additional expense ; and that, therefore,  
 ‘ every tax which is not levied directly on the rude  
 ‘ produce of the earth, falls in the end on the land-  
 ‘ proprietors. — *These assertions are almost all incon-*  
 ‘ *testible, and capable of a rigorous demonstration ; and*  
 ‘ *those who have attempted to show their falsity, have*  
 ‘ *in general opposed them only with idle sophistry.*’

Now we have here an author of undoubted eminence, admitting in the most explicit manner the indisputable truth of the principles of the Economists ; declaring that all those who, like Mr. Mill, have attempted to show their falsity, have in general opposed them only with idle sophistry ; and yet so far from embracing the practical application which the Economists deduced from these principles, that he is a decided disciple of Dr. Smith, whose system of Political Economy, considered in a practical view, he asserts to be much superior. With a knowledge of this precedent, will Mr. Mill still persist that I *must* adopt all the conclusions of the Economists, because I contend for the truth of their premises ? — If M. Garnier be not allowed of sufficient authority in this case, what will Mr. Mill say, if I can prove that Dr. Smith has himself admitted the truth of the doctrine of the Economists, and that positively ? In book 2. chap. 1. parag. 28. he has this passage :—‘ Lands,  
 ‘ mines, and fisheries, require all both a fixed and a  
 ‘ circulating capital to cultivate them ; and their pro-  
 ‘ duce replaces with a profit, not only those capitals,  
 ‘ *but all the others in the society.*’ And a little further

on, he says, 'Land even replaces, in part at least, the capitals with which fisheries and mines are cultivated.' Now, if the produce of land, mines, and fisheries, replaces with profit not only their own capitals, but all the others in society; and if land partly replaces the capitals with which fisheries and mines are cultivated, what is this but admitting, in the most positive terms, that land is the sole source of wealth? And yet Dr. Smith did not regard this admission as inconsistent with a theory which has no reference to it.

Mr. Mill, therefore, is making an assertion unwarrantable in itself, and contradicted by the practice of the most eminent political Economists, when he insists that an author embracing the principles of the Economists must also embrace their practical conclusions. And when he takes for granted that I have recommended a system founded on these conclusions, he falls into a most egregious error, which the slightest attention would have obviated, and against which I must expressly protest.

2. The second grand error into which Mr. Mill has unaccountably fallen in his examination of my pamphlet, is his idea that it has been my object to prove that commerce is *never* a source of national wealth; and that because I have maintained it is of slight importance to us, I have advised that we should cease our attention to commercial undertakings.— In proof that such has been the opinion of Mr. Mill, I may first cite his title-page. His work, he says, is 'an answer to the arguments by which Mr. Spence and others have attempted to prove, that commerce is not a source of national wealth.' From this, any one must infer that I had unqualifiedly denied, the possibility of a nation's acquiring wealth from commerce. Then, in speaking of the necessity for the attention of government to the delicate interests of commerce, he says, (p. 3.) 'But should the legislature become influenced by a theory *hostile* to commerce.' Evidently intending to insinuate that my

theory is thus hostile. Again, he observes, ‘ Here  
 ‘ we perceive that all his reasons against the *utility* of  
 ‘ commerce, &c.’ (page 46.), and (page 55.) ‘ One  
 ‘ might conclude, that it was rather a rash doctrine  
 ‘ to promulgate that commerce is of no *utility* to Great  
 Britain.’ And, lastly, to omit other similar instances,  
 he says, (page 57.) ‘ He would have us believe that  
 ‘ commerce is of no utility; he would have us con-  
 ‘ duct our affairs on a plan which is not applicable to  
 ‘ the present situation of the world, and *abandon* the  
 ‘ course by which we have attained our actual pros-  
 ‘ perity.’—It is difficult to determine what to say of  
 all this. It is all gross misrepresentation; and mis-  
 representation so glaring, that I cannot conceal my  
 astonishment, that a man of Mr. Mill’s acuteness and  
 apparent good faith, should have countenanced it.  
 In the first place, I have never denied that commerce,  
 in general, *may* be a source of wealth to particular  
 nations. Though, in the abstract, no wealth is cre-  
 ated by commerce, particular countries may *transfer*  
 to themselves, by its means, a greater share of  
 wealth than they would otherwise have possessed,  
 and thus it certainly becomes a source of wealth to  
 them. This I have repeatedly admitted; and have  
 expressly allowed that Tyre, Venice, and Holland,  
 did gain riches by trade. But not only have I  
 granted that commerce in general may be pro-  
 ductive of wealth, I have fully conceded that were  
 it not for the peculiar nature of our commerce, I  
 should admit that we added ten millions annually to  
 our wealth by it.—In the second place, where have  
 I shown any ‘ hostility’ to commerce, or asserted that  
 it was of no ‘ utility’ to us? On the contrary, in the  
 very commencement of my reasoning on this subject,  
 I have said, ‘ There is no question as to the *conve-*  
 ‘ *niences* arising from this commerce, and the reader  
 ‘ will greatly err, if he suppose I am desirous of prov-  
 ‘ ing that it would be better for the world if there  
 ‘ were less of it than there is. On the contrary, there  
 ‘ cannot be a warmer advocate than I am, for its



‘reasonable extension,’ (p. 43.) Again, so far from recommending any alteration in our present system, I have stated my conviction, ‘that the character of ‘the merchant, is as honourable and as estimable as ‘that of the farmer, and that in general honest obedience to self-interest will most effectually promote ‘the advantage of society.’ (p. 77.) And once more I observe, (p. 78.) ‘Nor let it be conceived, that the ‘opinion is here maintained that a diminution of our ‘commerce is desirable. No one can be more deeply ‘impressed than I am with the conviction of the value ‘of commerce, as a mean of procuring a mutual interchange of conveniences between distant countries; ‘none can more highly appreciate its vast importance, ‘considered as an engine for communicating and ‘extending civilization, virtue, and knowledge, over ‘every part of the globe.’— Now, how, with these passages staring him in the face, in a work from which he has culled, with such painful assiduity, every sentence in the slightest degree apparently inconsistent with any other, Mr. Mill could pretend to charge me with being hostile to commerce — with declaring it of no utility — is truly marvellous. That the superficial readers of my pamphlet should fall into this mistake, is surprising, but that Mr. Mill should thus raise up a man of straw to combat with, is unaccountable. Cannot Mr. Mill comprehend, that it is possible to admit that an employment may be of utility, without allowing that it creates wealth? He will scarcely deny that our navy and army are of some use, ye *he* surely will not say they enrich us. So with respect to our commerce; though I deny that our essential wealth is augmented by it, I admit that our enjoyments are; and on this account, as well as with reference to its agency in promoting the happiness of the world at large, I am no enemy to it. Nor, indeed, though I am inclined to believe that it would have been better for us, in several respects, if we had not entered so deeply into the commercial system, have I recommended even a partial abandon-

ment of that system. Well aware that no violent change can be effected, without great individual suffering, I have deprecated all voluntary diminution of our commerce. My aim was not to induce the abandonment of our commerce, but to hold up to my countrymen the consoling truth, that *if, from any inevitable cause, we are deprived of it*, we should neither be ruined, nor eventually have either our riches or prosperity diminished.

In concluding this introductory part of my reply, in order that neither Mr. Mill, nor any future assailant of my tenets, may give himself the unnecessary trouble of refuting positions which I have never maintained, I will here briefly recapitulate the politico-economical creed, which it was the object of my pamphlet to establish, and which I have as yet seen no reason to abjure. Believing, then, that wealth is solely *created* by agriculture, I set the highest value upon manufactures as being essential to transmute the wealth produced from the soil, into another shape, and to the accumulation of capital; as having been the great stimulus to the agricultural improvements of this country; and as being still required progressively to forward these improvements. Carefully distinguishing between manufactures for home consumption and those for exportation, I contend that the latter are not necessary to stimulate agriculture; that the wealth derived from our commerce is of slight value; and, consequently, that though its continuance is, on many accounts, highly desirable, we are independent of it, and if we lose it, neither our prosperity, our power, nor our greatness, would be diminished.

After having thus proved that much of Mr. Mill's work is employed in combating positions which I have never maintained, the reader will not be greatly surprised when I point out to him, that in fact there is no essential difference between our doctrines as to the grand sources of national wealth; and that though we differ in some subordinate theoretical

points, we are so nearly of the same opinion with regard to the conclusions deduced from them, that the difference is insignificant in the extreme. That this is a true statement, will be seen, when the following deduction from all the reasoning employed by Mr. Mill has been read. ‘Commerce then,’ says he, (p. 115.) ‘we may infer from all that has been said, is a very good thing when it comes spontaneously, but a thing which may very easily be bought too dear. The two main springs of national wealth and prosperity, are the cultivation of the land, and manufactures for home employment and consumption. Foreign commerce is a mere auxiliary to these two.’—So precisely does this accord not only in substance, but in words, with what I have maintained, that I might almost charge Mr. Mill with copying my language. Thus, (at p. 31.) I have observed, ‘It will be obvious from what has been said, that agriculture and manufactures are the two chief wheels in the machine which creates national wealth.’ And again, (p. 42.) ‘Agriculture and manufactures for home consumption, then, are the only branches of industry essential to the production and accumulation of national wealth.’ And not only does Mr. Mill coincide with me as to the relative insignificance of foreign commerce as a source of national wealth, he admits that, ‘to this hour, the sound inquirer has most frequently occasion for his efforts in exposing the errors into which both governments and individuals fall by the remaining influence of the mercantile theory:’ that ‘the firm hold which this doctrine yet maintains on the minds of men, forms the principal obstacle to the diffusion among mankind of juster principles of political economy and of government,’ (p. 14.) that ‘the importance of commerce is in general greatly over-rated;’ (p. 106.) that ‘when we hear people talk, as we too often hear them, and in places too high, of commerce as the cause of our national grandeur; when we find it appealed to as the measure of our prosperity; and our exports

‘and our imports quoted as undeniable proofs that  
‘the country has flourished under the draining of the  
‘most expensive war that ever nation waged on the  
‘face of the earth, we have reason to smile at the  
‘ignorance or the deceitfulness of the speaker,’  
(p. 107.) that ‘it is but too true that the greater  
‘number of persons with whom we converse, seem to  
‘imagine that commerce creates wealth by a sort of  
‘witchcraft,’ (p. 108.) and, lastly, that ‘the fee  
‘simple of our whole export commerce is not worth  
‘the expense of the last fifteen years’ war, and that  
‘if it had been all sacrificed to the last sixpence, to  
‘save us from that expense, we should have been  
‘gainers by the bargain,’ (p. 108.)

Agreeing, then, as Mr. Mill evidently does, with the main conclusion of my pamphlet, it may seem to some persons a little singular, that he should have thought it worth while to write an elaborate reply to it. An antagonist of my doctrines, worthy of the name, should have entitled his answer ‘Britain dependent on Commerce,’ and should have aimed to prove, that our riches, prosperity, and power, are chiefly derived from our trade, and would expire with its annihilation. But an author so decidedly convinced of the falsity of the mercantile system, and of the inferiority of commerce when compared with agriculture, would, one might have thought, have seen little call to controvert the arguments of a work in whose conclusions he so nearly acquiesced. The fact seems to be, that Mr. Mill had predetermined to write an answer to the work in question before he had read it. Delighted in the beginning with the easy victory which he had promised himself over an Economist, he was disappointed at finding in the sequel, that the opinions of this sect were modified so as nearly to approach his own: but resolved at all events to write a reply, he had no other resource than to overlook the actual system recommended, and to combat an imaginary advocate for the destruction of manufactures and the abandonment of commerce.

That Mr. Mill has thus perverted my opinions, and mistated the conclusions which alone I have repeatedly said it was my object to enforce, I am not, as I have before observed, sorry. He has given me an opportunity which I have wished for, of pointing out the the absurdity of such views of my doctrine; and of explaining and supporting reasoning, which others, as well as himself, have strangely misconceived.

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HAVING thus pointed out the errors into which Mr. Mill has fallen with respect to the design of the pamphlet he has replied to, and his near accordance with its conclusions, I proceed to consider the reasoning employed by him to invalidate the arguments by which these conclusions are supported. — When the difference between two disputants regards rather the process of argumentation from which certain deductions are inferred, than the deductions themselves, their controversy may seem somewhat unimportant. But truth is always of value; and some light can scarcely fail to be thrown on the science which both Mr. Mill and I profess to hold in such high estimation, by our discussion of the merits of our different theories. — It will be convenient to pursue nearly the course which Mr. Mill has struck out, and I shall, therefore, first advert to his observations on my statements relative to

*The instability and insecurity of British Commerce.*

Mr. MILL terms the view which I have taken of the existing and probable diminution of our commerce, a mere bugbear. Let us examine into his grounds for this assertion.

He says, ‘ Let us only contemplate for one moment the vast extent of the habitable globe, and consider how small in comparison is that portion of coast over which the sway of Buonaparte extends, and we shall probably conclude with considerable

‘ confidence, that in the wide world channels will be  
 ‘ found for all the commerce, to which this little  
 ‘ island can administer. Let us look first at the  
 ‘ United States of America. To these we have for  
 ‘ years sent more goods of British manufacture than  
 ‘ to the whole continent of Europe. The vast com-  
 ‘ merce of the West India islands next comes natu-  
 ‘ rally in view.’ (p. 8.) He then goes on to instance  
 Portuguese and Spanish America, the coast of Africa,  
 the Cape of Good Hope, and the vast shores of the  
 Indian ocean, as ‘ affording scope for boundless com-  
 ‘ merce, though the whole continent of Europe were  
 ‘ swallowed up by an earthquake.’

In reply to this, I must observe, first, that it is very curious that Mr. Mill should instance among the great channels of our commerce, one which I had enumerated in the list of those from which we were threatened with exclusion. He must have known, that at the time he wrote his pamphlet, the United States of America, so far from being a commercial channel which we could regard as permanently open to us, was one to which we could only reckon on a temporary access during the suspension of the *non-importation act*; and scarcely had he laid down his pen, when the *embargo* act most decidedly proved the justice of my views on this subject, and the fallacy of his, by excluding us from this most important of our commercial markets.—In the next place, where are we to look for the stability of ‘ our vast commerce of the West India islands?’ Is Mr. Mill not aware, that the vastness of this commerce is the effect of disease only; and that our imports from, and exports to the West Indies, *must* very shortly be reduced at least one-third, to prevent the utter ruin of all engaged in this trade?—What, again, has the ‘ immense extent’ of South America to do with the reparation of our loss of European commerce? as if extent of country were the measure of commercial intercourse. Is Mr. Mill ignorant that we have long supplied the bulk of the manufactures consumed there;—that so abundantly has the market been stocked,

that British manufactures have often been sold cheaper in Lima and Rio Janeiro than in London? What consolation, then, can we draw from the substitution of the 'growing demand' of a few hundred thousand Spanish and Portuguese South Americans, in lieu of the millions we have formerly supplied in Europe? Mr. Mill has accused me, I think, without reason, of arguing unphilosophically, in bringing the instability of British commerce at all into view; but he is surely much more unphilosophical, when he attempts to puzzle the minds of his readers by the associations of language, and would have them believe that because the 'world is wide,' it can easily absorb the commerce of 'this little island.' What have little and great to do in the matter? What commerce requires, is not extent of soil, but an abundant population, and a population moreover which has need of what the merchant can supply, and something that he wants, to give in return. To talk of the coast of Africa and the Cape of Good Hope opening a field of boundless extent for the employment of British capital, is completely to shift the question. No one will deny that in *time* these countries *may* afford commercial channels of extent greater even than those of Europe, or North America. But the question is, can they *now* supply the loss of the latter? If not, and if commerce were the source of our riches, we might be ruined a century before the exchange could be effected: and thus the insecurity and instability of our commerce would be abundantly proved.—It is not less surprising that Mr. Mill should adduce the shores of the Indian ocean as affording room for any great extension of our commercial intercourse. Is he to be told, that though the countries bounded by this ocean, have plenty to sell, there is scarcely one of our manufactures which they will buy at a profitable price; and that the precious metals are almost the sole articles which can be exported thither with profit? The East India Company have been endeavouring for these forty years to discover which of our manufactures could be sent to In-

dia with profit, but without success. In 1792 they published statements from which it appeared, that of the woollens, iron, and copper, which they had persisted to send, little of either could be sold, and that little almost invariably at loss. What opening, then, do the 'vast shores of the Indian ocean' present to our manufactures? Would Mr. Mill have us send earthen ware to the Chinese; or manufactured cottons and muslins to the Hindoos; or what? The fact is, that it is impossible to calculate upon a commerce with the East Indies much greater than we already enjoy. No beneficial trade can be carried on between countries which have not mutual wants. But the wages of labour in India are so much lower than in Europe, in consequence of their habit of living almost entirely upon rice, that in spite of all our machinery and capital, they can undersell us in every one of our staple manufactures.

After advancing the arguments in favour of the stability of our commerce, which we have just examined, Mr. Mill goes on to say, 'That in regard to Europe itself, it is only to the superficial eye that the power of Buonaparte over our commerce can appear important. Not to mention the probability that the Baltic, the channel by which a great part of our commerce has for a number of years found its way into Europe, will not long be shut against us; the very notion of guarding the whole extent of European coast from the mouth of the Elbe to the Gulph of Venice, must appear ridiculous to all men of information and reflection.' (p. 10.) This argument he supports, by alluding to the facility with which smuggling is carried on, upon our own coast; and he contends that the interest which the people of the Continent feel in obtaining British manufactures, will enable us to elude the restrictive policy of Buonaparte. Without enquiring on what data Mr. Mill grounds his opinion that the Baltic will not be long shut against us, it is a sufficient answer to this mode of reasoning, to appeal to facts. We know that the Continent is severely distressed for want of many



commodities usually obtained from Britain. Colonial produce, in particular, is at least 100 per. cent. dearer than here. Yet are sugar and coffee smuggled into France and Holland in any quantity? If Mr. Mill refer to the Gazette price of sugar, he will find that even 100 per cent. is not sufficient to cover the risk of attempting to contravene the prohibitory decrees of our enemy. If this were so easy, surely by this time the demand for sugar from the Continent, would have somewhat raised its price here. But no such rise has taken place.\* — Again, let Mr. Mill ask the complaining manufacturers of Leeds, of Manchester, and of Birmingham, if Buonaparte's decrees have been of no effect; and if the facility of smuggling compensates for their former allowed access to the Continent? Their piled warehouses and unemployed hands will wofully contradict his theoretic dreams respecting the inefficacy of Buonaparte's prohibitions. The truth is, all such reasoning has reference to a state of things now no longer in existence. While the powers of Europe were independent of each other, all excluding decrees must have been nugatory. But now that it is wholly subject to one man, and that man Buonaparte, there is no difficulty in rendering his restrictions effective. Smuggling will in a slight degree be still carried on in articles of little bulk, and assuredly the hopes of those sage politicians who talk of bringing our enemies to reason by depriving them of Peruvian Bark, will be frustrated; but it will be impossible to carry on any extensive contraband traffic in such bulky articles as sugar, coffee, cottons, and woollens.

I have thus shown the futility of the speculations by which Mr. Mill has endeavoured to invalidate my reasoning relative to the instability of British commerce.—There yet remains one view of the subject to which he has not at all adverted, though it occupies

\* The late temporary advance of 3s. or 4s. per cwt. has been merely in consequence of a prospect of having the use of sugar permitted in the distilleries.

several pages of my pamphlet (p.79—87.)—the probability of a future diminution of our commerce, in consequence of the high rate of wages in this country, and the future competition of foreigners. Because our trade has increased for the last twenty years, we fancy that it must continue to increase: but in this we shall probably find ourselves mistaken. The constant scenes of warfare which the Continent has exhibited since the French revolution, have destroyed its manufactures, and given us the monopoly nearly, both of its market, and the American market. But now that the ascendancy of Buonaparte promises to the manufacturers of the rest of Europe, the continuance of tranquillity for many years to come, we cannot doubt that they will speedily regain their former eminence: and if we compare the price of labour among them, with its price in this country, we shall see grounds for believing, that their rivalship will before long, materially diminish our trade. It is a vulgar error to imagine that we can manufacture the principal articles of our export, so much cheaper than the continental manufacturers can. When Mr. Adams was in Silesia in 1800, he tells us at that time, in the town of Grünberg, 25,000 pieces of broad cloth were annually made, the finest equal to English broad cloth, and 50 per. cent. cheaper; and that they were accustomed to send cloth to Poland, Russia, Hamburg, and Berlin.\* If, then, the Silesians could in 1800, sell broad cloth 50 per. cent. cheaper than we could; when the present tranquil state of the Continent, and the monopoly of that market which Buonaparte has now conferred upon them, shall have reinstated their manufactures in their former prosperity, what should hinder them in a very few years, from attracting a large portion of the demand of America for woollens? So with respect to the other main articles of our export: The manufacturers of the Continent can obtain the raw materials of hardware, cotton, leather, pottery, as cheap as we: they can and do adopt all our im-

\* Travels in Silesia, page 18.

proved machinery : they will soon acquire capital ; and they will not have to pay above half the wages of labour that we pay. It seems impossible, then, but that the Continent in the lapse of no protracted period, will become a very formidable rival to us, in many of our most important branches of trade. And this will take place whether we are to continue at war, or make peace. It is an inevitable consequence of our high and increasing wages of labour, and of the cessation of the causes, which have hitherto given us a monopoly of manufacturing industry. Our commerce, therefore, exclusive of the effect which the present unparalleled state of affairs may have upon it, is, from other causes, highly unstable and insecure ; and there is much probability that it would be greatly diminished, in the course of a few years, even though we should have peace to-morrow.

The foregoing reasoning on this subject, I am able to confirm by the authority of a political Economist, whose labours have deservedly gained him a high reputation. In the chapter of Mr. Malthus's Essay on Population, where he has so justly discussed the different effects of the agricultural and commercial systems, is the following passage. ' If we go on as we have ' done lately, the price of labour and of provision must ' soon increase in a manner out of all proportion to ' their price in the rest of Europe ; and it is impossi- ' ble that this should not ultimately check all our ' dealings with foreign powers, and give a fatal blow ' to our commerce and manufactures. The effect of ' capital, skill, machinery, and establishments in their ' full vigour, is great ; so great, indeed, that it is dif- ' ficult to guess at this limit : but still it is not infinite, ' and without doubt has this limit. The principal ' states of Europe, except this fortunate Island, have ' of late suffered so much by the actual presence of ' war, that their commerce and manufactures have ' been nearly destroyed, and we may be said in a ' manner to have the monopoly of the trade of Europe. ' All monopolies yield high profits, and at present,

‘ therefore, the trade can be carried on to advantage, in spite of the high price of labour. But when the other nations of Europe shall have had time to recover themselves, and gradually to become our competitors, it would be rash to affirm that, with the prices of provision and of labour still going on increasing from what they are at present, we shall be able to stand the competition.’ \*

The Edinburgh Reviewer, too, however he may differ with me on other points, is precisely of the same opinion on this. After stating it as his opinion that commerce contains within itself the seeds of its own decay, in consequence of circumstances which occasion a great rise of prices in those countries where it has greatly flourished, he continues, ‘ And though, owing to the peculiar advantages we have enjoyed, this cause has not yet affected our commerce, yet we think that, proceeding in the same course, it must do so ultimately.’ †

*Definition of the terms Wealth and Prosperity.*

Mr. Mill has devoted a chapter to a criticism on the explanation which I have given of the above terms ; and, after expressing his dissatisfaction with my definitions, he has presented us with one, intended to be better, of his own. Let us enquire into the solidity of his objections, and the validity of his pretensions to superior accuracy.

First, he complains that the term Capital is not defined. But after the laboured definition of this term by Dr. Smith and other Political Economists, there seemed little call for loading the pages of a pamphlet with any thing further on the subject. — Next, Mr. Mill will have it, that uncultivated land which may be rendered productive, is wealth as well as that which is productive. I do not think so. For by this rule, Russia, with its millions of acres, is a more wealthy country than Britain. — Thirdly, he

\* 4to. ed. p. 44.

† Edinburgh Rev. No. 22. page 447.

contends that the last clause of the definition, 'Those things which men usually esteem valuable,' includes the other two clauses. Here I allow that his criticism is just, and I was aware, without his information, that the definition would have been more correct, if the two first clauses had been wholly omitted. He will ask, then, 'Why suffer it to remain redundant?' For this reason: Intending my arguments for the public, not for a few philosophers, I saw that a definition, merely stating wealth to be every thing valuable to man, would be too metaphysical for general comprehension. I thought fit, therefore, to aim at being generally intelligible, though at the expense of strict accuracy. — But Mr. Mill is not satisfied even with the curtailed definition. Air and light, he says, are valuable to man, and yet are not wealth. This is one of those carping hypercriticisms which may be made upon almost every thing in the shape of a definition; and if such objections had been worth attending to, we must have been to this moment without an attempt at separating the animal, vegetable, and mineral kingdoms. Where a strictly accurate definition cannot be had, we must content ourselves with an approximation to accuracy. We shall see shortly, how much better Mr. Mill has succeeded in his attempt at correctness.

Mr. Mill's next objection is to the use of the term *abundance* in the definition: but if he would have exercised a small share of candour, he might have spared this flaw. By the context it appears that he evidently understands me to be speaking of *national* wealth, not wealth in the abstract; and though in the haste of composition, I have omitted the term *national*, he must have seen from the succeeding illustration, that in this definition I had national wealth in view. It would be absurd to say that wealth in the abstract, consists in abundance of things valuable to man; but it is equally clear that national wealth (and this was obviously my meaning) does consist in such abundance. The difference between a rich

and a poor nation is just, that the former possesses *abundance* of what the latter possesses little.

Mr. Mill has found it tedious to enter into 'a minute analysis of my definition of prosperity,' so that I am spared the trouble of following him in his objections on this head. I must, however, beg leave utterly to deny his assertion, 'that of the three clauses of which the description consists, the last two are included in the first; as it is in the nation which is progressively advancing in wealth; where the checks to population are few, and where employment and subsistence are most readily found for all classes of the inhabitants.' (p. 22.) On the contrary, I contend that a nation may be progressively advancing in wealth, where the checks to population, and the difficulty of procuring subsistence, are increasing daily. It would lead me into a field much too wide for this place, to state at large, the reasons for this opinion; but Mr. Mill and the reader will find them expressed, better than I could express them, in the chapter of Mr. Malthus's Essay on Population, entitled, "*Of increasing Wealth as it affects the Condition of the Poor.*" He will there see it clearly proved that if a nation devote the whole of its accumulating capital to manufactures, and none of it to agriculture, its prosperity may be dreadfully decreasing, at the same time that its wealth is rapidly augmenting.

Lastly, Mr. Mill having seen, as he says, how little useful is my definition of wealth, favours us with one of his own. Here we may surely look for extraordinary accuracy. What, then, is this unassailable definition? Wealth, according to him, denotes those objects which have a value in exchange. The vagueness of the third clause of my definition is here wonderfully obviated. But let us apply Mr. Mill's touchstone to this sterling ore. Water, we all know, is purchased by most families in London. It has, therefore, a value in exchange; it is wealth. But a few families are furnished with pumps: their water costs them nothing. *It is, therefore, not* wealth.

Thus according to Mr. Mill's definition, an object is wealth at one door, and it is not wealth at the next! How much are the riches of those towns to be envied, where the water being conveyed in pipes to their houses, has a value in exchange! And how grievous is the lot of those poor cities, where every house being provided with a pump, the inhabitants obtain this fluid without expense! It is fair to try Mr. Mill's definition by his own test, and when thus tried, it is found not a whit more accurate than that which it was intended to supersede. The fact is, that perhaps it is impossible to frame a definition of wealth that shall not be liable to some exceptions. Of the two — Mr. Mill's and my own — I naturally prefer the latter; and if scrutinized, I do not believe it is liable to objections so serious as his. It is not perhaps incorrect, to call pure air and good water, portions of national wealth; but if a nation be rich in proportion as it possesses articles of value in exchange, it follows that a drought, which makes every drop of water in one of the West India Islands of great exchangeable value, is a mean of increasing its wealth: which is pretty nearly nonsense.

*Of Land, as the sole Source of Revenue.*

Mr. Mill has admitted the vast superiority of agriculture as a source of revenue, over every other branch of industry; and in this admission he is followed by the Edinburgh Reviewer. But both these authors contend that agriculture is far from being the sole source of revenue. Manufactures, they assert, are entitled to claim a high rank in this respect. Their reasons for this opinion are not detailed so fully as to admit of a close examination, without a previous statement of the arguments which induce me to maintain a contrary position. In the present section, therefore, I shall, in the first place, endeavour to explain that view of the subject which I am led to entertain — or, in other words, to show that the revenue of every member of society in this country, is derived from the soil; and in the next place,

I shall advert to the arguments by which my opponents maintain a contrary opinion.\*

But before proceeding to this explanation, it is necessary to insist upon two positions, which, however obvious and incontrovertible, seem to be left out of view by most of those who speculate on this subject.

First, That of all the wants of man, food is the most indispensable; and that, when provided with this, and the necessary raw materials, he is able to supply all his other wants with facility. Thus, provide me with a million quarters of wheat, and the raw materials required, and I can without difficulty build a fleet of ships, a bridge, a palace — or manufacture woollens, linens, or whatever luxury I am desirous of possessing. The possession of the requisite quantity of food will give me the command of all the labour I require; and whether I need tools or machines for affecting my object, this food will enable me to fabricate them. But, on the other hand, without food, no ships, or bridges, or palaces, could be built — no woollens, or linens, manufactured. Though furnished with axes, and hammers, and trowels — with looms, and manufactures in profusion, it would be in vain to collect the necessary labourers, if food were wanting; and we should find no possibility of converting these implements into food. There is no difficulty in converting 100 quarters of wheat, by the intervention of the labour of man, into a steam-engine; but no labour can transmute a steam-engine back again into 100 quarters of wheat. — Thus, then, there is an essential and important difference between wealth derived from the soil and manufactured wealth.

Secondly, that where food in sufficient abundance is produced, the principle of population will readily supply labourers in adequate proportion; and that

\* In the following inquiry I purposely leave foreign commerce entirely out of consideration. This is necessary for the sake of distinctness. It will be hereafter seen what value I attribute to this branch of industry as a source of revenue.



the operation of this principle effectually gives to those who have possession of the food of any country, an absolute command over the labour of those who are not so possessed, at a rate which never exceeds what is barely sufficient to supply the latter with the necessaries of life.

Let us now inquire from what source the revenue of the different classes of society in this country is derived: and, to avoid the intricacy induced by the intervention of a circulating medium, let us revert to a supposition which we have before found useful, and consider what would take place in this respect, if all transactions were carried on by barter. On such a supposition, it is undeniable, that the revenue of the class of land proprietors, and of farmers, would be wholly derived from the soil; and we must observe, too, that this revenue is a perfect new creation. The farmer brings into existence food for himself, and at the same time food for five or six other human beings. The question is, whether the other classes of society, the manufacturing and unproductive classes, can be said in this manner to create their revenue, and whether it is not merely transferred to them from the agricultural classes. Now, as food is the principal want of the great bulk of society, it cannot require any words to prove, that this portion of the revenue of the manufacturing and unproductive classes, must necessarily be drawn from the soil, and consequently come from the agricultural classes, who transfer it to them in exchange for manufactured articles and services of various kinds. It is equally clear, that the raw materials employed in different manufactures must come from the soil, and, therefore, be transferred from the agricultural classes. There can be no dispute, then, that by far the largest portion of the revenue of every member in society, must be derived from the soil. Controversy can exist only, with respect to that small part of the revenue of the manufacturing and unproductive classes, consisting of the difference in value between manufactured articles in their manu-

factured and raw state. Now, to me it appears a reason quite sufficient to induce us to regard this portion of their revenue as a transfer, merely, that in converting this raw into manufactured produce, food, which has been derived from the soil, has been consumed; and that the additional value conferred, is only equal to that of the food expended.

An illustrative example will make this reasoning more clear. Suppose a land-owner to cultivate his own property, and that after every expense is paid, there remains a net surplus of 1000 quarters of wheat, besides wool, &c. This is his revenue, and is surely derived from the soil. 120 quarters of this wheat, and the raw materials, he appropriates to the manufacturing of woollens for his family; in fabricating which, ten men have been employed a year, each receiving 10 quarters of grain for his labour. This, then, is their revenue, and is certainly derived from the soil. But 4 quarters are as much as each family requires for food: 1 quarter is paid by each for the rent of a cottage to a neighbouring house proprietor, who thus derives a revenue of 10 quarters of grain from his cottages; which is still, however, drawn from the soil. Another quarter is paid by each to the clothier and tailor for manufacturing and making his clothes; who thus in turn derive a revenue from this expenditure, which is still drawn from the soil. A third quarter is paid to the physician, whose revenue consists of portions of revenue originally drawn from the soil, transferred to him from his patients. The remaining 3 quarters are exchanged for various other articles, and thus form a portion of the revenue of other manufacturers, &c. In the same way, the master manufacturer, who furnished these ten woollen manufacturers with their looms until the completion of their work, might receive a profit of 20 quarters of wheat as the interest of his capital. An accumulation of similar profits forms his revenue, which, however, we must regard as derived from the soil. It would be endless to trace the ramifications into which this original creation of revenue from the

soil would naturally spread itself. The reader will readily perceive, that by extending the illustration, it might be clearly shown, that this revenue of 1000 quarters of wheat, might become the sole revenue of several hundreds, and contribute to that of several thousands of individuals, none of whom, however, could with any propriety be considered as creating their revenue.

The arguments by which Mr. Mill has indirectly endeavoured to disprove the positions just laid down, will be adverted to in the sequel; but as the Edinburgh Reviewer has more directly opposed the reasoning intended to support them, I shall here attend to his statements. He says, that 'he agrees entirely with Dr. Smith, that the real revenue of the whole society is to be estimated, not only by all the food that is consumed, but also by all the manufactures and commodities of all kinds, which are produced during that consumption, or what amounts to nearly the same thing, by the value of all that each individual consumes, which evidently consists not only in a certain portion of food, but in a certain quantity of manufactures and other commodities in addition to it.' (p. 431.) Now, this argument appears to me to involve as gross a fallacy, as if the Reviewer were to contend, that the income of an individual ought to be estimated, first, by the amount of what he spends, and then, by the amount of what he buys; — as if he were to say, that a man who spends 1000*l.* a year, is worth 2000*l.* a year, while he that possesses 1000*l.* a year, without spending it, is but half as rich as the former. The Reviewer will allow, because Dr. Smith has allowed it before him, that the great home trade of any country, consists in the exchange of food and raw produce, for manufactured produce, and he will scarcely dispute, that in a country producing its own food, the value of its annual produce of food and raw produce must be greater than that of manufactured produce. Does the Reviewer, then, mean to say, that the surplus raw produce and food of the

cultivator, and the manufactures for which he exchanges these, *both* constitute his revenue? If so, he is guilty of the absurdity which has been just alluded to, in regarding the expenditure of a revenue as doubling it. But perhaps he means to say, that the surplus raw produce and food of the cultivators constitute their revenue, and the manufactured produce the revenue of the class of manufacturers; and that both together constitute the revenue of the society, which is neither greater nor less for the exchanges made between the two. But on this supposition, which is the only remaining one I can see room for, the error is as great as before. The Reviewer forgets that the revenue of the cultivators is derived from the bounty of nature — it is a new creation, which has nothing to replace: whereas the revenue of the class of manufacturers (supposing it to consist of manufactures) has been produced by the extinction of another revenue, and the greater part, if not the whole of it, is mortgaged for the purpose of replacing the revenue which has been expended in producing it. The Reviewer has clearly here been misled by that constant source of error in politico-economical speculations — the employment of a circulating medium. Because by the accumulation of capital, and the use of money, the manufacturer can command all the raw materials and food he is in want of, and postpone his sales to a distant period, the Reviewer has been deluded with the notion of his creating a revenue. But if the present system of society were to exist without the intervention of money, and the land owners were to advance to the manufacturers raw produce and food, and in return to receive manufactured produce, surely the Reviewer would not contend, that in that case any revenue could be said to be created by manufactures.

Let us assay this mode of reasoning by an example. A land-owner, at the end of harvest, when all the expenses of cultivation have been paid, has a surplus of 200 quarters of corn. This is his revenue for the ensuing year. He wishes to appro-

priate half of this to the building of a new house : he therefore engages 10 men, who, on being supplied with 10 quarters of corn each, and the necessary tools, engage in the next twelve months to complete this building ; procuring the requisite stone and timber from their employer's quarries and woods. Now, could these 100 quarters of corn, and this new house, be *both* regarded as the revenue of this land-owner? Surely not. He has *spent* his revenue in the erection of a house. But what constitutes the revenue of the 10 labourers who have built it? The house? Impossible. They could at no instant claim a right to a grain of the stone, or a chip of the wood consumed upon it. What then? Why indisputably, according to my conception, the 100 quarters of corn which were *transferred* to them by the land-owner. These alone, which they had no share in creating, could be regarded as their revenue ; and this revenue is that alone which, in this transaction, could be said ever to have any existence. — There is not a single case of manufactures to which this example may not be applied ; and in all, as in the present instance, if sifted to the bottom, it will be seen, that manufactures are *objects* upon which revenue is spent, not revenue. If man could live upon air, and pick wool and cotton from every hedge without charge, he might then be said to create a revenue by manufacturing industry ; but so long as he must eat food, and so long as the prolific power of nature necessarily limits the price of his labour to a quantity of food barely sufficient to supply the necessaries of existence, manufactures can never with justice be regarded as a source of revenue.

But the Reviewer has another objection on this head, which deserves some attention. A few pages further on, he observes, ‘ It is very far from being true that the manufacturer derives the whole of his revenue from the land-proprietors. He derives indeed his food, and whatever raw materials he may want of home growth, which we are most perfectly ready to acknowledge, are the most important

‘ because the most necessary part of his revenue : but  
‘ for his clothes, his houses, his furniture, and num-  
‘ berless other articles of comfort and convenience,  
‘ which unquestionably form a part of the revenue  
‘ he consumes, and often the largest part, he is in-  
‘ debted to other manufacturers. Each manufac-  
‘ turer and artificer becomes a consumer and artificer  
‘ to his brother manufacturers and artificers in dif-  
‘ ferent lines ; and if history tells true, the states of  
‘ Holland and Venice, particularly the latter, at the  
‘ period of their greatest prosperity, experienced all  
‘ the enriching effects that can arise from a great con-  
‘ sumption, without the aid of many land-proprie-  
‘ tors.’ (p. 435.) In reply to this, it may be remark-  
ed, in the first place, that if we fully admitted the  
Reviewer’s position, the revenue derived from manu-  
facturers would be extremely trifling ; for we know  
that nine-tenths of the revenue of nine-tenths of so-  
ciety, is composed of food and the raw produce of  
the manufactures they consume. When we have  
enumerated ‘ food and clothing,’ we have little more  
to state as the revenue of the bulk of mankind.  
‘ Houses,’ serve the purpose of generations ; and  
‘ furniture’ for years ; and, therefore, can with no pro-  
priety be called revenue. — But there is no need to  
admit the accuracy of the Reviewer’s statement.  
The observations before made, render it obvious  
that he has again fallen into the mistake of con-  
sidering men as etherial beings, who can live with-  
out food. How can manufacturers and artificers  
exchange their manufactured produce with their  
brother manufacturers, unless they had derived from  
somewhere a revenue to subsist upon during its fa-  
brication ? This transferred revenue they have spent  
in producing articles, which, therefore, have no claim  
to be regarded as a second revenue. — But it is need-  
less to repeat the arguments which have just been  
used. I would merely observe, with respect to Venice  
and Holland, that these states acquired riches and  
the power of consuming, by their carrying trade and  
the monopoly profits which the then infant state of

commerce afforded them: and the latter, besides, derived an immense revenue from its extensive fishery, which, in calling the soil the sole source of revenue, I by no means intend to exclude.

One main cause of the errors of the Reviewer now pointed out, and of those of Mr. Mill, which will hereafter be adverted to, is, their confounding the very distinct ideas of creation and accumulation. That a nation which accumulates the manufactures into which it has transmuted its food, will be richer than one which consumes its food without such a transmutation, is as clear as that the man who spends his income in buildings, paintings, &c. will be richer than he who consumes it in luxurious gratifications of the palate. (See Dr. Smith, b. 2. chap. 3. towards the end). But this circumstance by no means proves that wealth is *created* by such expenditure. The general introduction of vaccine inoculation would doubtless *save* many lives to the state; but we should be apt to stare with surprise, if Dr. Jenner had claimed a reward for a discovery that *created* human beings.

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The preceding statement of the reasons which induce me to hold the opinion that agriculture is the sole source of revenue, will neither have its truth proved nor disproved by the citation of authorities in its favour; but, as it may tend to shew that I am not singular in maintaining this opinion at the present day, and, as the Edinburgh Reviewer may possibly not deem it so very preposterous, if it shall prove to have been very recently held by a political Economist, for whose attainments himself or his coadjutors have, on various occasions, professed great respect, I shall here beg leave to quote the sentiments of Mr. Malthus on this question. And it will be allowed that the testimony of this gentleman is entitled to greater attention, when it is understood that he is far from being a blind follower of the economists.—After giving it as his persuasion that, in some senses, the

definitions of national wealth, both of Dr. Smith and the Economists, are correct, he continues; 'Whichever of these two definitions is adopted as the best criterion of the wealth, power, and prosperity of a state, the great position of the Economists will always remain true, that the surplus produce of the cultivators is the great fund which ultimately pays all those who are not employed upon the land. Throughout the whole world the number of manufacturers, of proprietors, and of persons engaged in the various civil and military professions, must be exactly proportioned to this surplus produce, and cannot, in the nature of things, increase beyond it. If the earth had been so niggardly of her produce as to oblige all her inhabitants to labour for it, no manufacturers or idle persons could have existed. But her first intercourse with man was a voluntary present; not very large, indeed, but sufficient as a fund for his subsistence, till, by the proper exercise of his faculties, he could procure a greater. In proportion as the labour and ingenuity of man, exercised upon the land, have increased this surplus produce, leisure has been given to a greater number of persons to employ themselves in all the inventions which embellish civilized life. And though, in its turn, the desire to profit by these inventions has greatly contributed to stimulate the cultivators to increase their surplus produce, yet the order of precedence is clearly the surplus produce; because the funds for the subsistence of the manufacturer must be advanced to him, before he can complete his work: and if we were to imagine that we could command this surplus produce whenever we willed it, by forcing manufactures, we should be quickly admonished of our gross error by the inadequate support which the workman would receive, in spite of any rise that might take place in his nominal wages.\* Then, after observing, 'That it is a very great error to suppose that the system of the Econo-

\* Essay on Population, 4to. ed. p. 435.



‘ mists is really unfavourable to manufactures;’—that, ‘ in the history of the world the nations whose wealth ‘ has been derived principally from manufactures and ‘ commerce, have been perfectly ephemeral beings, ‘ compared with those the basis of whose wealth is ‘ agriculture;’—and that ‘ it is in the nature of things ‘ that a state which subsists upon a revenue furnished ‘ by other countries, must be infinitely more exposed ‘ to all the accidents of time and chance than one ‘ which produces its own;’—Mr. Malthus goes on to say, — ‘ No error is more frequent than that of mis- ‘ taking effects for causes. We are so blinded by the ‘ shewiness of commerce and manufactures as to be- ‘ lieve that they are almost the sole cause of the wealth, ‘ power, and prosperity of England. But perhaps ‘ they may be more justly considered as the conse- ‘ quences than the cause of this wealth. According ‘ to the definition of the Economists, which considers ‘ only the produce of land, England is the richest ‘ country in Europe in proportion to her size. Her ‘ system of agriculture is beyond comparison better, ‘ and consequently her surplus produce is more con- ‘ siderable. France is very greatly superior to Eng- ‘ land in extent of territory and population; but ‘ when the surplus produce, or disposable revenue of ‘ the two nations is compared, the superiority of ‘ France almost vanishes. *And it is this great surplus ‘ produce in England arising from her agriculture, ‘ which enables her to support such a vast body of ‘ manufacturers, such formidable fleets and armies, ‘ such a crowd of persons engaged in the liberal pro- ‘ fessions, and a proportion of the society living upon ‘ money rents, very far beyond what has ever been ‘ known in any other country in the world.’\**

In addition to this striking testimony in favour of the truth of the doctrine I am now contending for, I shall also here quote Mr. Malthus’s observations,

\* Essay on Population, 4to. ed. p. 437.

which are perfectly accordant with my own opinions\*, relative to the confined and erroneous conceptions of those, who, in contemplating the importance of the revenue derived from land, restrict their view to the net money revenue received by the class of land-proprietors. ‘If,’ says he, ‘in asserting the productiveness of the labour employed upon land, we look only to the clear monied rent yielded to a certain number of proprietors, we undoubtedly consider the subject in a very contracted point of view. The quantity of the surplus produce of the cultivators is indeed measured by this clear rent; but its real value consists in its capability of supporting a certain number of people, or millions of people, according to its extent, all exempted from the labour of procuring their own food, and who may, therefore, either live without manual exertions, or employ themselves in modifying the raw produce of nature into the forms best suited to the gratification of man. A net monied revenue arising from manufactures of the same extent and to the same number of individuals, would by no means be accompanied by the same circumstances. It would throw the country in which it existed into an absolute dependence upon the surplus produce of others; and if this foreign revenue could not be obtained, the clear monied rent which we have supposed, would be absolutely of no value to the nation.’† — And, again, in speaking on the subject of taxation, Mr. Malthus observes, ‘The real surplus produce of this country, or all the produce not actually consumed by the cultivators, is a very different thing, and should be carefully distinguished from the sum of the net rents of the landlords. This sum, it is supposed, does not much exceed a fifth part of the gross produce. The remaining four-fifths is certainly not consumed by the labourers and horses employed in agriculture; but a

\* See note in ‘Britain independent of Commerce,’ p. 28.

† Essay on Population, p. 455.

‘ very considerable portion of it is paid by the farmer,  
 ‘ in taxes, in the instruments of agriculture, and in  
 ‘ the manufactures used in his own family and in the  
 ‘ families of his labourers.’\*

These quotations render it almost superfluous for me to add any other confutation of the objections of those who urge that agriculture cannot be the sole source of the revenue of Britain, because the rents of land in the kingdom do not amount to much more than the sum annually paid in taxes†; and because the added revenue of the whole community is vastly greater than the value of even the gross produce of the soil. These objections, however, it may be worth while slightly to attend to; especially as some very erroneous calculations on this subject have lately been presented to the public. — The net rent of land in this country has been variously estimated. I believe it is considerably more, but it will surely not be estimating it too high at 50 millions. That we may in every respect be within bounds, let us call the rent a quarter only of the gross produce of the land; which will therefore be 200 millions. Now the only deduction which ought to be made from this sum, for the purpose of ascertaining what part of it constitutes the real revenue of the society, is the amount of food consumed by the cattle employed in hus-

\* Essay on Population, p. 441.

† An historical fact is worthy the attention of those who talk of the unexampled amount of our taxes. William the Conqueror, 700 years ago, when scarcely a manufacture, much less commerce, existed, from his 1200 manors, and other internal sources, derived a revenue of 1060*l.* a-day: which, as the pound sterling then contained thrice as much silver as it now does, and was besides at least twenty times more valuable, makes his annual revenue amount to upwards of 25,000,000*l.* of the present day. (See *Maserses Hist. Anglic. Selecta Monumenta*, p. 258.) Now if England, 700 years ago, with a population of two or three millions, using a wretched mode of agriculture, and without manufactures and commerce, could afford to the government a revenue of 25,000,000*l.*; in what respect is it so very marvellous that Great Britain, with a population of eleven millions, and under a system of agriculture the most productive in the world, should now be able to supply the state with 60,000,000*l.* yearly; which, in proportion, is not half so much as was then paid? And what need is there to give to her commerce and manufactures any share of the merit of bearing this burthen, when the ability of her agriculture alone, to bear a much greater load, has been *proved*?

bandry, and of the seed necessary to keep up the stock of grain. All the remainder of the Farmer's expenses — the food which they supply to 2,000,000 of labourers — the cost of their manure, of their implements of husbandry, and of their various improvements of draining, irrigating, &c. — though they are a deduction from *their* revenue, are, in fact, an addition to that of the community. It will scarcely be disputed, therefore, that if we subtract from the gross produce of the soil a quarter, as the amount of food reserved for the cattle of the farm, and of grain to be used for seed, we shall have made an ample allowance. It appears, then, at the very lowest computation, that this country every year derives a revenue of 150,000,000*l.* from its soil. Now this revenue it will be seen, when dispersed in ten million ramifications through the mass of society, will be abundantly sufficient to account both for the taxes which are paid by this country, and the revenue of the whole of its community. As to taxes, every man has the word in his mouth, that half of his income is expended in them. But if we deduct 60 millions from the amount of the revenue of the country, there is still 90 millions remaining untouched by government. And if we reflect that of the fifty millions of net revenue of the land holders; the fifty millions of profit of the farmers; and the fifty millions expended by them in cultivating their land — all which is a new creation — sixty millions are transferred to the government, of which twenty-six millions become a revenue which is spent by the stockholders; and that the remainder is, before the end of the year, expended in various articles of use or luxury, and thus becomes the revenue of millions of manufacturers and consumers; — it will appear nothing very marvellous that the added revenue of all ranks in this country may be estimated, as Mr. Colquhoun has done, at 330 millions\*, while the real revenue of the

\* 'Treatise on Indigence.'

country is not half as much. This mode of estimating the revenue of a country by adding the revenue of all the classes of society together, is as if a man worth 20,000*l.* a year, allowing 1000*l.* a year to each of his ten sons, should say that his family was worth not 20,000*l.* but 30,000*l.* a year. The revenue created from the soil belongs, in the first instance, wholly to the land proprietors and farmers; but these two classes transfer nearly the whole to the manufacturing and unproductive classes; and by this process, if attention be not paid to the *source* of revenue, we may readily calculate the revenue of the country to be twice as much as it really is.\*

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THE corollary which the Economists deduce from the foregoing doctrine; namely, *That all taxes, however levied, fall ultimately upon the land*, so indisputably follows, if the truth of that doctrine be admitted, that it would scarcely seem to need any further illustration; yet, as this deduction appears to be particularly repulsive to those who have not attended to enquiries of this nature, I shall venture, though at the risk of being thought tedious, to occupy a few pages in placing it in as clear a point of view as I am able.

In order to accomplish this object, we must once more leave a circulating medium out of question. Now if no circulating medium were made use of, it is clear that the government must call for taxes in kind:—instead of requiring sixty millions of pounds sterling, yearly, it must demand the articles which this sum is now employed to purchase. The expenditure of our government consists in the sums which it pays to the stockholders, the officers of state, &c. and those which are required for providing food,

\* On this subject see a note in 'Britain independent of Commerce,' p. 31.

clothing, &c. for the army and navy, for building ships, fortifications, &c. Let us, in the first place, for the sake of greater simplicity, attend to the sources whence the latter branch, if paid in kind, must necessarily proceed. As all the wants of government might be readily satisfied, if it possessed provision for the support of its naval and military establishments, together with the requisite raw materials for other purposes, and food for the sustenance of the labourers necessary to give them form; it might either levy a tax of so much food, and of so much iron, wood, wool, &c. or it might at once demand a tax of so much food, and so many ships, so many muskets, so many coats, &c. If the former method were adopted, it is not easy to perceive how it can be denied that all the taxes would fall upon the soil; for from what quarter could a demand for wheat, oxen, sheep, timber, and wool, be supplied, but from the produce of the land? and from whom could this produce be drawn, but from the class of cultivators, whose property the whole of the annual produce of the soil is? Though a part of this demand were made upon the class of manufacturers and the unproductive class, it is obvious that they could not have the power of satisfying it, except through the medium of revenue drawn from the agricultural class.—But although the case is rendered more complex, if we suppose that the second mentioned mode of taxation were acted upon, and a tax of so many thousand yards of cloth were levied upon the woollen manufacturers, of so many ships upon the ship-builders, of so many muskets upon the gun-smiths, &c., a slight consideration will shew that the case is not really altered. Let us enquire, for instance, how a demand of 1000 yards of cloth upon a woollen manufacturer would be paid. As the price of such of his cloth as was sold prior to this demand, merely replaced the raw material, the provision consumed in fabricating it, and his ordinary profits, if he were called upon for

1000 yards of this cloth without any return, he must necessarily charge the whole of its cost upon the remainder which was sold. Thus the land-owner would have to pay, in addition to the natural price of the cloth consumed by himself, the price of all the cloth advanced to the state; and thus he would as certainly in the end pay this tax, as if the raw material and the food required in manufacturing it, had been demanded from him in the first instance. In fact, this consequence must follow, from the circumstance, that the labouring manufacturer never derives more than a bare subsistence from his labour, and that the master manufacturer must always gain his ordinary profits. Neither the one nor the other, therefore, has the power of finally paying the taxes which the government may require of them. They must shift these taxes from their own shoulders, and they can in the end fall upon the land-owners only, who have not the means of casting the burthen upon any other class.

It is needless to dilate upon the mode in which the taxes required for the payment of the interest of the national debt, the salaries of the officers of state, &c. finally fall upon the land. If these sums were paid in kind, they must either be paid in provision, with which every thing else could be procured, or in food and an assortment of manufactured articles. In both cases, as we have shewn above they could be derived from no other source than, the soil.\*

\* This mode of estimating our taxes — not by their nominal money amount, but by the commodities which they will purchase, and the men they will subsist — would help us to avoid the very common error of supposing that our real wealth has doubled within these 20 years, because we can now pay 60 millions in taxes, with as much ease as we could then pay 30 millions. The fact is, that within the last 20 years, the price of every thing has more than doubled. When therefore, we pay 60 millions in taxes at present, we do not really pay more than 30 millions would have been 20 years ago; and we can now as easily pay the former sum, as we could then have paid the latter. This consideration, too, will show us the error of estimating the relative power of the continental states and our own, by the *nominal* amount of the revenues of each. Thus, some would suppose that France, with a revenue equal to 40 millions sterling, is much

If the Edinburgh Reviewer hesitates to admit the conclusion which the preceding arguments have been intended to support; I would beg to refer him to an authority, to which on many occasions I am disposed to pay great deference, and which his reverence for the identity of the critical character will scarcely suffer him to impugn—I will refer him to the EDINBURGH REVIEW. At page 445. of vol. 1. he will find the following sentence on this subject, pronounced by the Reviewer of a work, the professed object of which was to controvert the doctrine of the Economists, and to prove that taxes fall equally upon every branch of revenue. After showing, very clearly in my opinion, that a tax upon rent would fall, not as the author of the work has contended, upon both the farmer and the landlord, but upon the latter alone, the Reviewer continues, ‘ We are rather inclined to believe that the same

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poorer than Britain with one of 60 millions. But, in truth, she is much richer; for 40 millions in France are equal to 80 millions in Britain. The cost of keeping up naval and military establishments being there only half as much as in this country, 40 millions in France are equal to 80 millions here.— There is one view of the effect which the augmentation in the price of every thing in this country has had, which, though it is but distantly connected with this subject, deserves to be pointed out. I mean; *That this augmentation of price has virtually extinguished a large portion of the national debt.* Thus, for the 100 millions of that debt contracted in the American war, we now *really* pay only half as much interest as was agreed to be paid when it was borrowed; which is the same thing as if 50 millions of that debt were wiped off. That this is true, must be allowed if we leave a circulating medium out of question. The holder of 10,000*l.* stock, bought during the American war, could at that time have purchased twice as much with the interest of it, as he now can. He has virtually, therefore, lost half of his capital; and the nation in reality only pays him half the sum it agreed to pay. This view of the national debt, which, as far as I know, is new, will enable us to conceive how such a debt may be increased to a vast extent without inducing national ruin, or even absorbing all the revenue of the land-proprietors. By increasing the price of commodities in proportion as it increases, (for to this cause principally I am persuaded should be attributed our rise of prices, and not as the Edinburgh Reviewer has contended, to any influx of the precious metals or augmentation of paper money), it virtually in a great measure extinguishes itself in its progress. If the original lenders to the state had had the wisdom to stipulate for a *corn* interest, the nation would be burthened with the payment of an interest to them, nearly twice as great as it now pays.



‘ train of reasoning which thus proves that all taxes  
‘ on land are paid by the proprietor alone, requires  
‘ very little extension in order to lead us to a more  
‘ general conclusion, *that ALL TAXES WHATEVER ul-*  
‘ *timately fall on the neat surplus of the annual repro-*  
‘ *duction.* The argument, perhaps, has not yet been  
‘ stated in such a form as to leave no room for  
‘ objection ; but this proposition appears to us to be  
‘ the nearest approximation to truth that has yet  
‘ been offered on the subject.’ Then, after remark-  
ing ‘ that a line of distinction has not always been  
‘ sufficiently drawn between the theoretical con-  
‘ clusion, or general fact, of the ultimate incidence  
‘ of taxes, and the practical scheme of a direct ter-  
‘ ritorial tax,’ he goes on to say, ‘ For ourselves, we  
‘ will confess, that while we entertain more than  
‘ doubts with respect to the expediency of the latter,  
‘ we have very little hesitation as to the truth of  
‘ the former.—But although the territorial in-  
‘ cidence of all taxes does not appear to suggest ne-  
‘ cessarily a direct impost upon land, which is the  
‘ great practical tenet of the Economists, it is *in-*  
‘ *timately* and *necessarily* connected with their great  
‘ theoretical tenet as to the *source* of national riches.  
‘ These two positions indeed are involved in each  
‘ other ; or rather they may be said to form two  
‘ views of the same general fact, one of which pre-  
‘ sents it indirectly.’ The Reviewer then proceeds  
to state as ‘ a presumptive evidence in favor of the  
‘ economical theory,’ that, ‘ its principle with regard  
‘ to the primary and essential source of wealth, the  
‘ elucidation of which has given political economy  
‘ a new form, or rather first gave a strict scientific  
‘ form to that subject,’ has, like many other great  
discoveries, been detected by some authors of an-  
tiquity ; and that ‘ the two propositions, of which it  
‘ consists, and which are intimately connected with  
‘ each other, have separately and independently oc-  
‘ curred to the most cultivated understandings, by

‘which, in former times, the relations of political economy were examined.’

If the Reviewer, violating the sanctity of the regal “*we*,” tells me that this is the opinion of one of his associates, not his, I can only lament that they whose ‘professed object it is to use their feeble endeavours ‘in assisting the public judgment,’ (No. 22. p. 430.), should direct it to one track one day, and to another directly opposite the next.

In this long, and I fear tedious, discussion, we have almost lost sight of Mr. Mill, who has advanced little that directly bears upon this point. But a remark at the close of his chapter, ‘on land, as a ‘source of wealth,’ requires attention. He states, that I have unfairly kept out of view the doctrine of the Economists, that land is the only proper source of taxation.—Here we find Mr. Mill pursuing his old plan of forcing down the throat of his opponent, whatever may be his objection to swallow them, all the conclusions which others have deduced from his premises. The simple cause why, in the first editions of my pamphlet, I did not mention this doctrine of the Economists, was, that it was one of several of their positions with which I could not agree. In the third edition, I expressly stated my dissent from it; and of this circumstance Mr. Mill in a note admits that he was aware. But he is mortified that I should thus elude his grasp, and he laments that I did not give my reasons for this dissent, as ‘he can discover none that are not as ‘strong against the theory as against the corollary.’ (p. 46.)—It would occupy too much space to give Mr. Mill *all* the reasons that he demands; but his curiosity shall be gratified with one of them, which he will scarcely assert to be hostile to the theory of the Economists.—In consequence of the national debt, the stockholders in this country have a virtual mortgage on the soil, and a command of a portion of its surplus produce, equal in value to the interest

of their debt. Now, since the whole of their revenue is derived from the soil, it is clear that any taxes which they pay, must in the end fall upon the soil; yet these taxes are not refunded to them, as in the case of taxes laid upon the wages of labour and the profits of stock. The stockholder being a joint proprietor with the land-owner, of the surplus produce of the soil, the taxes levied upon him are really paid out of his portion of the surplus produce; which is but just. But if all taxes were laid *directly* upon the soil, the land-proprietors would pay a tax upon a portion of the surplus produce, over which, being mortgaged to the stockholder, they have no power, which would be the grossest injustice.

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*Of Manufactures, as a Source of Wealth.*

HAD not experience proved the contrary, I should have conceived that the repeated declarations in my pamphlet, of my conviction of the vast importance and utility of manufactures; of my persuasion that no country could accumulate wealth without their aid; nor any country in Europe make great agricultural advancement, if deprived of their stimulus; — would have sufficiently shielded me from the charges of depreciating their value, and aiming at their destruction, which the Edinburgh Reviewer, and nine-tenths of those who have taken the trouble to comment upon my statements, as well as Mr. Mill, have brought against me. But as I have been deceived in this respect, and the event has shown these gentlemen's inability to credit that any one can be a friend to manufactures, who will not allow them to be a source of wealth. It is necessary once more to state, previously to entering upon the present inquiry, that neither Mr. Mill nor the Edinburgh Reviewer is more sensible than I am of the utility and importance of manufactures; and that in any thing

which I may advance in opposition to the doctrine that they create wealth, I neither mean to degrade the merit of the manufacturing labourer, nor to advise the substitution of any other system of industry in the room of that upon which we at present act. I contend for the doctrine of the Economists on this subject, as an abstract truth, which I deem, for reasons already indicated, of considerable importance; but in no respect do I deduce any practical rule from it, hostile to the existing state of things.

At the outset, too, it will not be useless to premise, that in reality there is little or no difference between my opinions on this point, and those of my antagonists who most warmly oppose me. The controversy in this, as in a thousand other cases, is chiefly to be attributed to the ambiguity of language. We use the words "create" and "source" in different senses. I say the agricultural labourer alone *creates* wealth; that his labour is the sole source of wealth; because it alone brings into existence matter without the annihilation of other matter — because this matter is essential to the existence of man — and because with its aid, every thing that his vast desires can grasp may be produced with facility. On the other hand, I deny that manufactures *create* wealth — that they can with propriety be termed a *source* of wealth — because they cannot exist except through the extinction of agricultural produce; and because in consequence of the principle of population, which ever multiplies the numbers of the human race beyond the quantity of food provided for them, the possessors of the produce of the earth can always *command* the produce of the labour of the manufacturing class; the members of which never receive more than a bare maintenance in return for their labour.

Mr. Mill and the Edinburgh Reviewer use the words "create" and "source" in a sense widely different. Because manufacturers refund an equal value for what they consume; because if they consumed

the produce of the earth without making such a return, this value would not have existed:—it is contended by them that this class creates wealth.

Now in this sense neither the Economists nor myself will deny that manufacturers create wealth. The Economists certainly never asserted that a nation which employed its agricultural produce in feeding manufacturers, would not be richer than one that employed an agricultural produce equally great, in feeding idlers. And, however a few expressions of my pamphlet, not perhaps sufficiently precise, may be twisted, the context will indisputably show, that it could not be my aim to maintain any such opinion. On the contrary, I have over and over again stated, that manufacturers were essential to enable a nation to accumulate wealth.

The question therefore is, by whom are the terms now under consideration properly applied; by Mr. Mill and the Edinburgh Reviewer, or by the Economists and myself? To determine this, let the reader consider the following analagous illustrative cases. The professson of physic, I say, is a very necessary and useful one. It annually saves many lives to the community. The nation, therefore, which abounds in skilful physicians, will be richer in men than that which has none. But could I therefore contend with any propriety, that the physician *creates* human beings—that he is the *source* of existence?—So, if Paracelsus, in his research after the philosopher's stone, had discovered a liquor, of which a drop, when poured upon a bushel of sand, had the marvellous power of transmuting it into grains of gold; could we with any propriety have said, that the *sand* created the gold—even though the liquid possessed no extraordinary powers when poured upon clay, or chalk, or wood?—Again, we should find it very difficult to collect rain-water from the top of a building, without a cistern to contain it, but should we therefore say the cistern *created* the water.—Or, lastly, would the farmer who turns a lean ox upon an acre

of rich pasture, say that the ox *created* the three or four stones weight of flesh which it would gain in a few months? — If we could not with accuracy apply the term “create” to any of these cases, neither can we in the instance of manufacturers. Manufacturers are the physician who prevents the sick from dying; the sand which the philosopher’s stone converts into gold; the cistern which accumulates and preserves rain-water; the ox which transmutes grass into flesh: but, nevertheless, they do not *create* riches.

If this explanation of the essential difference which exists between manufactures and agriculture as sources of wealth be correct, it will follow that I can with perfect consistency concede to the Edinburgh Reviewer, that the accumulation of capital in the hands of the manufacturer tends to enrich a state—that without this class, a coach which now costs 50 quarters of grain, would have cost a hundred — that “the accumulation of capital and the perfection of manufacture” do indirectly contribute to the wealth of the country — all this I can grant, and yet consistently still contend that agriculture is the sole source of wealth. This accumulation of capital, this perfection of manufactures, both date their creation from the soil, and without it, could not have existed; yet the agricultural produce which is their source, might have been expended in a mode which would have left no return, and therefore this return is a *fixation* of national wealth. Nor are the Economists less persuaded of the important influence of manufactures upon the wealth of a state. In Dr. Smith’s masterly analysis of their doctrines, he expressly gives as one branch of it, “That the industry of merchants, artificers, and manufacturers, though in its own nature altogether unproductive, yet contributes indirectly to increase the produce of the land. It increases the productive powers of productive labour, by leaving it at liberty to confine itself to its proper employment, the cultivation of land, and the plough goes frequently the easier and the better by

“ means of the labour of the man whose business is “ most remote from the plough.” (B. iv. chap. 9.) Nor did Dr. Smith, in announcing this part of the doctrine of the Economists, consider it to be any way inconsistent with their main principle.

After this attempt to develop the true ground of the controversy on this point, I proceed to advert to the arguments by which Mr. Mill has endeavoured to oppose the doctrine, that the value of the manufacturer's labour is only equal to his consumption of agricultural revenue. First, he contends that it is of greater value because the profit of the stock employed in bringing it to market must be also paid; and secondly, because, if a manufactured article is set on one side, and the raw materials and food consumed in its fabrication on the other, every body will give more for the manufacture. (p. 24.)—One source of Mr. Mill's error here, is his taking the term “ food” in a sense much more restricted than I intended. When I say the labouring manufacturer receives only food for his labour, I evidently mean to include lodging, clothing, and fuel; and it is surprising that Mr. Mill should have required this to be explained to him. He could not surely suppose I meant to say that manufacturers go naked, and live in the woods. By the food received in return for their labour, I understand not merely that required for their own sustenance, but that also which they will transfer to the owner of the cottage in payment of his rent; to the collier in return for his coals; and to the clothier for his coat, &c.

But the futility of this objection will be rendered more apparent by attending to another view of the subject; a view which I deem of such importance, that I shall request the reader's patience while I enter into a somewhat detailed illustration of it.

I contend, then, that the quantum of food transferred to the manufacturer in return for his labour is of no moment with reference to the question of the creation of wealth by manufactures. This quantity

may be greater, or it may be less, than the food which has been actually consumed in producing the manufacture for which it is exchanged; but in either case, the real value of the manufacture is the food which has been consumed in producing it; and on the other hand, the real intrinsic value of food is, in every case, the manufactures which may be brought into existence during its consumption; and this value is wholly independent of the quantity of manufactures for which it may be exchanged by the cultivator. Or to express this idea in other words, I contend that the real value of that which forms by far the largest portion of agricultural produce, of food, is the services of every kind rendered by those to whose sustenance it has contributed, during the period of their consumption of it. This position may be variously illustrated. Thus (leaving a circulating medium out of question), if a land proprietor chose to give Madame Catalani 100 quarters of wheat for singing an Italian air, it would be ridiculous to assert that the real value of this wheat was merely the song. Its real intrinsic value would be all the enjoyments, all the products of art for use or for pleasure, for which Madame Catalani could exchange it; and all the products for which those who had ministered to her gratification, could exchange the portion remaining with them after they had replaced the food consumed in producing these products. Again: suppose a farmer were to engage to give a cabinet-maker, to whom he had furnished wood and tools, 30 quarters of corn for fabricating a curious cabinet, about which he was occupied three months, the real intrinsic value of this corn would not be the cabinet merely, but all the manufactures also which the cabinet-maker could command from the surplus of these 30 quarters, that remained after his own subsistence had been deducted. That this statement is accurate, will be seen if it be considered, that provided the farmer had met with a cabinet-maker so poor, that he could have engaged him for his mere



subsistence, which we will call two quarters, he could then have expended the remaining 28 quarters in the manufactures, which, on the contrary supposition, the cabinet-maker would have enjoyed. Thus the real wealth of the community, in this instance, would not have been at all affected by the greater or less wages of the manufacturing labourer. The sole difference would be, that the farmer would in the one case be richer, and the cabinet-maker poorer than in the other, and *vice versá*. The *prosperity* of the bulk of society will be greater the greater is the quantity of food exchanged by the cultivators for a given quantity of manufactures; but its gross *wealth* will not be influenced, whatever may be the amount of the food exchanged. If we do not admit this, it is evident that we place national riches in nominal value, which is nonsense. A country that, by consuming 100 quarters of wheat, fabricates a quantity of wool into a thousand yards of cloth, half of which remains with the woollen manufacturer, cannot be richer than another country, which, adopting a different system, fabricates the same quantity of cloth by means of the same quantity of corn, but draws the whole of the cloth to those who furnished the corn. This mode of viewing the subject will enable us to comprehend whence arises the amazing difference in the *corn* price, if I may so express it, of the manufactures of countries, where, from a variety of circumstances, the system of society is different from ours. Thus, in the East Indies, where little of either fuel, clothing, or lodging is required, and no animal food is consumed by the mass of society; if our improved system of manufactures and of agriculture were prevalent, the proprietor of ten acres of land could acquire twice as many goods in exchange for his agricultural produce as he can in this country, where the manufacturer must necessarily retain a greater portion of the manufactures into which that produce can be converted. And again, if the manufacturers of this country were to live chiefly on

potatoes, as some injudicious persons have advised, and the climate were to become so mild that little fuel was required, and no house or clothing but a mud hovel and a slight stuff vest, the land-proprietor, instead of purchasing the labour necessary to convert a quantity of wool into 1000 yards of cloth, as he now does, for the food produced by 50 acres would purchase it probably with the produce of 25. He would thus retain the clothes, the fuel, and the house-rent, or an equivalent to them, which on the present system supply the wants of the manufacturers. But surely we cannot say that such an alteration of affairs would make the wealth of the country either greater or less.

If the preceding observations have been successful in impressing the reader with the truth of the position they have been intended to maintain, namely, that the real intrinsic value of the produce of the earth is the services and manufactures which can be produced by the consumption of the food and raw materials of which that produce consists; and that this value is independent of all nominal price; it will be obvious that the objections of Mr. Mill to the doctrine of the Economists, are not of the slightest weight. If the cultivator gives more for a manufactured article than the raw produce and food consumed in producing it, then he gives more than its real value. The extra food and raw produce will still afford an additional value. And this is a complete answer, also, to Mr. Mill's objection (p. 30.) that manufactures create wealth, because the invention of machinery enables the manufacturer to produce 500 yards of cloth, for instance, with the same expense of provision as was before required to produce 100. In truth, when, by the invention of machinery, the same quantity of manufactured produce is raised by a less consumption of provision, no very long interval of time elapses before the cultivator purchases the additional quantity for the same sum as he formerly gave for the quantity produced by the old mode. But the enjoyment of a monopoly

by the discoverer of a new machine does not alter the case. He transfers to himself, in consequence, a quantity of food from the cultivator, for less than its real value; but the country would have been just as rich if he had sold his manufacture for a quantity much smaller.

It has been well observed, that the habit of estimating the value of every thing in money, is at the root of almost all the errors of Political Economists; and it will be seen that this prejudice, which has evidently bewildered Mr. Mill in the objections above adverted to, has been at the foundation of his attempt to invalidate the conclusion which I drew from the supposed manufacture and sale of a coach. Mr. Mill asserts that it is certainly true, "that if the coach-maker has, in the month of October, 50 quarters of corn, which, in the month of March, he has transformed into a coach worth 60 quarters, the country is the richer in consequence of this manufacture of the coach, to the amount of ten bushels (quarters, I suppose) of corn." (p. 26.) Now, in reply to this assertion, for it is nothing more, I would merely ask Mr. Mill, by what *hocus pocus* he can create 10 quarters of corn by manufacturing a coach. He says the country would be richer in consequence of this manufacture to the amount of 10 quarters of corn. I ask him how? and I ask him, moreover, if he really believes that the country would have been poorer if the coach had been sold for 50 quarters, its original cost? If he does not, then he must allow that the coach, being worth 60 quarters, has nothing to do with an increase of national wealth. The *coach* is a portion of national wealth; not the *worth* of it, whether that worth be expressed in money or corn.

After making the objections just refuted, Mr. Mill adds several remarks on the question now under consideration, the tendency of all which being merely to shew that manufactures and the division of labour have an indirect influence upon the prosperity of agricul-

ture, I certainly do not feel myself called upon to controvert. I would only observe that his assertion, 'that it is the manufacturers who add the whole value it obtains to four parts, at least, in five of the produce of the soil,' (p. 26.) is founded upon the same misapprehension of the principle of population; — the same inattention to the fact that food is the grand want of man, and that with it he can procure every thing; — and the same neglect of the great truth that the bulk of manufactures are carried on solely as a mean of obtaining this food from the monopolizers of the soil; — which I conceive have pervaded the whole of his reasoning on this subject. If, when a cultivator has produced from the land five times more than he can himself consume, there were any difficulty in finding mouths to eat the remainder, and hands that would give the produce of their labour in return for it, there would be some reason for this statement of Mr. Mill. But he surely must know that when food is produced, the population will always encrease in a ratio beyond its augmentation; and that, from this cause, it is the possessor of food, not the manufacturer, who fixes the value of his produce.

Having thus replied to what seems to me the substance of all the arguments that I have seen advanced against the doctrine that manufactures do not create wealth, it will not be useless to quote the opinions of two philosophers on this subject, whose authority few will deny to be an accession to the strength of any cause.

First, then, let us hear the sentiments of that profound and original thinker, Dr. Franklin. On the question of what is the real value of food and manufactures, he thus expresses himself in a letter to Lord Kames: 'Food is *always* necessary to all; and much the greatest part of the labour of mankind is employed in raising provision for the mouth. Is not this kind of labour, then, the fittest to be the standard by which to measure the values

‘ of all other labour, and consequently of all  
 ‘ other things whose value depends on the labour of  
 ‘ making or procuring them? May not even gold  
 ‘ and silver be thus valued?’ \* — Again, in a paper  
 on the principles of political economy, he says,  
 ‘ All food or subsistence for mankind arises from the  
 ‘ earth or waters. Necessaries of life that are not  
 ‘ food, and all other commodities, have their value  
 ‘ estimated by the proportion of food consumed while  
 ‘ we are employed in procuring them. — From labour  
 ‘ arises a great increase of vegetable and animal food,  
 ‘ and of materials for clothing, as flax, wool, silk, &c.  
 ‘ The superfluity of these is wealth. With this  
 ‘ wealth we pay for the labour employed in building  
 ‘ our houses, cities, &c. which *are, therefore, only*  
 ‘ *subsistence thus metamorphosed.* — Manufactures are  
 ‘ only *another shape* into which so much provision  
 ‘ and subsistence are turned, as were equal in value  
 ‘ to the manufactures produced. This appears from  
 ‘ hence, that the manufacturer does not in fact obtain  
 ‘ from the employer for his labour *more* than a mere  
 ‘ subsistence, including raiment, fuel, and shelter, all  
 ‘ which derive their value from the provision con-  
 ‘ sumed in procuring them.’ †

Whether these striking aphorisms of the American sage were the offspring of his own vigorous investigations, or adopted from the French Economists, is of little moment. In either case to have them pronounced by such a man is *a priori* greatly in favour of their consonance with truth; and few will be inclined to admit that reasonings which Dr. Franklin thought convincing, can deserve the epithet “flimsy,” which Mr. Mill has bestowed upon them.

The other authority which I shall adduce on this subject is that of Mr. Malthus; and the sentiments of this gentleman will be deemed of greater weight, when it is recollected, as I have before observed, that he is no blind admirer of the Economists; but

\* Lord Woodhouselee’s Life of Lord Kames, vol. ii. p. 85.

† Franklin’s Works, vol. ii. p. 409., edition 1806.

admits that in some senses, manufactures may be said to create national wealth. Yet, nevertheless, he does not hesitate to assert that, ‘ manufactures strictly speaking are no *new* production, no new *creation*, but merely a *modification* of an *old* one, and when sold must be paid for out of a revenue already in existence, and consequently the gain of the seller is the loss of the buyer. A revenue is transferred but NOT CREATED.’\* We have here the truth of all that I have asserted on this subject, explicitly allowed; and Mr. Mill may believe, that in the company of the Economists, Dr. Franklin and Mr. Malthus, it gives me very little concern to hear the opinions which we hold in common stigmatized by him as “contracted,” “imperfect,” and “flimsy.”

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*Of the Influence of the Expenditure of the Land-Proprietor's Revenue upon the production of National Wealth.*

On this question, which, in the pamphlet on which he comments, occupies about half a dozen pages, Mr. Mill has given a dissertation that fills five-and-twenty. It would be tedious to examine all his arguments at length: their substance however I shall endeavour to reply to. But, in the first place the objections of the Edinburgh Reviewer claim attention.

After some of those sneers which a Reviewer finds so useful in flavouring his more tasteless matter, partly directed against my doctrine, and partly against the “landed gentlemen,” he observes ‘that in the present state of society they would not forfeit with him their fair character, if they were occasionally to lay by a little for younger children, when they have large families; nor would they, in his eyes, be guilty of any great crime towards the state, even if so many as were so disposed were to be as parsimonious as Mr. Elwes.’ He admits “that con-

\* Essay on Population, p. 453.

“sumption must exist somewhere,” but he conceives ‘there cannot be a more gross error than to consider ‘the land-proprietors as the principal consumers of ‘the country, when they have not the distribution of ‘much above a fourth part of the value of the raw ‘produce of the country.’ (p. 434.)

These objections are a compound of mere quibbling and gross misrepresentation. Because I had maintained that direful ruin would ensue, if the “*whole*” of the class of land proprietors were to imitate Mr. Elwes, the Reviewer says, they would not be guilty of any great crime in his eyes, if “*so many as were so “disposed*” were to be as parsimonious as this noted miser. This is a good specimen of that happy talent at evading an argument, for which the fraternity of which this gentleman is a member, are so famous. The Reviewer very well knew that I never contended for the necessity of every individual land-owner spending his revenue; and that therefore I should as little deprecate, as himself, the occasional hoarding for younger sons; and feel as little pain at the contemplation of a few misers among them. What I contend for, is the general principle; not that every individual should conform to it: being well aware that the saving schemes of some will be always counteracted by the profusion of others. But what has the Reviewer advanced in opposition to this principle? Nothing. He says, indeed, that the land-owners are not the recipients of more than one-fourth of the raw produce of the country, and that it is a gross error to suppose them the sole consumers in the country. But who asserted this? Not I, assuredly. If the Reviewer had exercised the slightest candour, he would have told his readers that in the very page where I state the land-proprietors to be the recipients of the revenue of a country, (p. 28.) there is a note for the purpose of explaining that, by the term land-proprietors, I mean also to include the farmers, so far as respects their profits, and that I use the former term merely to prevent circumlocution. Now, will not the

Reviewer admit, that the land-proprietors and farmers together, have in their possession all the raw produce of the soil? and putting money out of the question will he not grant, that if they do not exchange this with the class of manufacturers and the unproductive class, their members must die of cold or perish with hunger? If he admits this, he admits all I contend for.

There is only one more of the Reviewer's observations on this score to be attended to. He says the importance which I have attached to the circumstance of fifty landlords becoming parsimonious is ridiculous. And so it would be if I had attached importance to it. But could not the Reviewer see that I merely instanced this case as an illustration of the effect which would ensue from a *general* adoption of such a scheme? And will he pretend that the *total* loss (for it was clearly this to which I had reference) of the custom of a class which annually at the least spends fifty millions, would be of less consequence than the loss of the custom of America or the Continent?

I now proceed to the consideration of Mr. Mill's objections to this doctrine.

His first is, that land is not the sole source of wealth. (p. 67.) To this I have so fully replied in a former section, that it is needless again to attend to it. He, then, as preparatory to further investigation, enters on a laboured illustration of the term "consumption," which, he says, has two senses: First, that of actual annihilation, as when the manufacturer drinks his wine, or the land-proprietor consumes a thousand quarters of corn in the maintenance of dogs, horses for pleasure, and livery servants: And, secondly, that of employment for reproduction; as when the manufacturer consumes his wool or cotton in working it up into cloth, or when the land-proprietor consumes a thousand quarters of corn in the maintenance of agricultural horses and servants. He then takes upon himself to say, and very truly, that 'the man



‘in whose reasonings and doctrines these meanings are confounded, must arrive at woful conclusions,’ and he gives it as his belief (p. 71.), that it is in the former of these senses, or that of actual annihilation, that I have understood the term consumption.

This is to be sure all very amusing. But I may join Mr. Mill in proclaiming, that the man who, in combating his opponent’s doctrine, gives to a term a meaning which neither he nor any other political Economist scarcely ever applies to it, must arrive at woful conclusions. What political Economist but Mr. Mill ever before applied to the term consumption the meaning of actual annihilation? I had conceived that it was strictly proper to call the purchasers of cabinet-ware the *consumers* of this manufacture. But Mr. Mill, it seems, when he hears talk of the consumers of cabinet-ware, understands that the purchasers, instead of placing it in their apartments, and carefully transmitting it from father to son, break it and burn it as soon as they get home! For my own part, I should have no hesitation in calling the buyer of a house, the consumer of that portion of the stock of a builder; but I should not have easily conceived, that any one would have understood me to mean that the purchaser must set it on fire. Indeed, actual extinction is not understood, when the term consumption, in Political Economy, is applied to the most perishable articles. The *bon vivant* who intends to let his wine be well *tartared* before he drinks it, and stores it in his cellar for eight or ten years, is as much its consumer on the very day that he has taken it out of the merchant’s vault, as the vulgar citizen of the gallon he buys one day and drinks the next. That Mr. Mill should thus puzzle his readers with telling them I understand by consumption actual annihilation, especially when I had explained that I meant by it “the final *purchase* and “use of articles,” (p. 40.) is, (to retort upon him one of his own sarcasms,) ‘a want of discernment, which,

‘ in a man who stands up as an emphatical teacher in  
‘ Political Economy, does hardly deserve quarter.’

After this very learned distinction between the meanings of the term consumption, Mr. Mill enters into a long statement, the substance of which seems to be, that the wealth of a country will increase in proportion as its annual produce is employed in feeding those who give a return for their food. On this subject Mr. Mill may rest assured I do not differ with him. But the question at issue is, whether it is the duty of the land-proprietors to employ that part of the surplus produce which remains with them as revenue or as capital? Now the determination of this question depends on a circumstance which Mr. Mill never seems to have been sufficiently impressed with, namely, that by far the most important part of the produce of the soil is food, and that at least five-sixths of the population of this country cannot procure this food except in return for services of some kind. Is it not, therefore, essential to the prosperity of the country, that the revenue derived from the soil should be spent, that is, annually exchanged for the services of the classes who do not possess any portion of the produce of the soil? And cannot Mr. Mill perceive, that though it is not the province of the cultivators to employ the produce of the soil as capital, except in a small degree for the increase of agricultural industry, yet that when expended, the *profits* which the other classes of society derive from it will in their hands become capital? He must be perverse, indeed, who does not see that it was my aim not to argue against the accumulation of capital in general, but against its accumulation in excess, and particularly by the class of land-owners. To prove that accumulation even by this class is desirable, Mr. Mill enters into an analysis of the case of a land-owner with a revenue of 10,000*l.*, who saves half of it, which he lends to a linen-manufacturer. But solitary instances of this kind prove nothing. It is the general principle I contend for,

relative to the truth of which we can come to a solid determination only by putting an extreme case, — by inquiring what would be the result if *all* the land holders were to save their revenue. Let us try Mr. Mill's reasoning by this touchstone.

We have already found the great source of Mr. Mill's mistakes to be the insinuation of a circulating medium into his calculations. If therefore we wish to attain clear ideas on the present subject, we must once more leave this fertile root of error out of question. The revenue, then, of the landholders is not money; it is the produce of the soil — all the raw materials and food which the earth yearly produces. Mr. Mill says, this ought to be *employed* as capital, not spent as revenue. There are but two ways in which it could be so employed; first, as agricultural capital; or secondly, as manufacturing capital. Mr. Mill seems to advise the former mode of employing it, when he recommends the landholder to expend upon his agricultural servants and horses what he had previously expended upon his livery servants and stud. Let us suppose, then, that the whole of the cultivator's revenue were to be the next year employed as agricultural capital. What would be the consequence? Why, that the system of society must undergo a total change. All the manufacturers and idlers, which comprize five-sixths of the community, must become cultivators, or they must starve. But does not Mr. Mill see that this scheme is stark nonsense? Can he suppose that the landholders would employ their revenue in feeding twelve millions of people to do work which may be performed by two millions, or would this comport with his ideas of the necessity of manufacturers to create national wealth? — If this plan be so very absurd, we must examine the feasibility of the second. Let us advert to the consequences which would result from the employment of the whole of the landholders' revenue, as manufacturing capital. If we suppose they employed it in this way themselves, then all the ma-

nufacturing capital before existing, would be useless ; every landholder must become his own clothier, his own coachmaker ; he must enter into competition with the master manufacturers, and the extinction of that most respectable and valuable class of men must speedily follow. But Mr. Mill will say, there is no need that the landholders should themselves employ their revenue as capital. They might lend it to the master manufacturers. This, however, only makes the difficulty greater. The class of landholders in this country annually give the class of manufacturers food and raw materials in exchange for their manufactures, to the amount of fifty millions sterling. Mr. Mill says, they had better not spend this amount in this way, but lend it. And does he really suppose that employment could be found for fifty millions of additional capital, at the moment when those who are to employ it have lost customers for their articles to the same amount ? Was there ever a project conceived by man more extravagant than this ? Is Mr. Mill ignorant, that in this country, even at the present moment, after a war that has absorbed so many hundred millions of capital, it is difficult to meet with profitable employment for it ? Does he not know that every business is crowded with competitors — that hundreds of farmers are anxiously waiting for an opportunity of employing their capital on land, without finding an opening ; — and that even prior to the present stagnation of trade, the profits in every branch of commerce were so extremely low as to indicate a redundancy of capital ? And yet he talks of the possibility of finding employment for fifty millions of additional capital yearly, and that, too, with the loss of a market to the same extent !

Indeed, so truly absurd is this scheme of increasing national wealth, that I am persuaded Mr. Mill will deny that he has ever advised it ; though indisputably his expressions imply as much. The fact seems to be, that looking at the expenditure of men of fortune in dogs, horses, and French cooks only,

and forgetting that indirectly by far the largest portion of their revenue is spent in home manufactures, Mr. Mill has advocated a system in individual instances, of the result of which, when generally acted upon, he has been wholly unaware. That an individual landholder may be doing well to save 5000*l.* out of his revenue, and lend it to a neighbouring linen manufacturer, while there are hundreds of his neighbours who are spending much more than their revenue, may be readily allowed. But the question is, whether it would be productive of national wealth that fifty millions should annually be so saved and lent? And except Mr. Mill can answer this in the affirmative, he has in nowise invalidated my position.

The preceding observations will in a great measure serve to show that the remainder of Mr. Mill's remarks, relative to the necessity for an accumulation of capital to the progressive prosperity of a state, are in part unnecessary, and in part erroneous. Mr. Mill is indeed wofully mistaken, if he supposes that I ever meant to contend, that a gradual addition to the capital of some branches of the society is not desirable; nor is any thing that I have advanced fairly capable of this interpretation. That the progressive prosperity of a country demands that the class of farmers, that the class of master manufacturers, should yearly augment their capital, I am as well aware as Mr. Mill. But these classes have the power of doing this, without the aid of capital borrowed from the land-owners—the one from its profit derived from the soil, the other from its *profit drawn* from the latter class and the class of land-owners. And this remark, I trust, will lead Mr. Mill to see how little cause he had for regarding the paragraph respecting Sir Richard Arkwright, which he so triumphantly quotes as contradictory to other parts of my argument, as really favourable to his opinions. It is the province of such men as Sir Richard Arkwright to save, not of the land-proprietors.

But though Mr. Mill might have spared himself the trouble of maintaining what I never denied, I am far from going the same length with him in respect to the extent of capital. Mr. Mill thinks there cannot be too much of it. I am persuaded there easily may. And this is an opinion which needs no long chain of reasoning to prove. Facts have established its truth beyond contradiction. Holland, previously to her late misfortunes, had acquired so much capital, that she absolutely could not find employment for it, and was glad to lend her superabundance to any of her neighbours: and there can be little doubt, that, had it not been for the last war, the same would have been the case with this country. As Mr. Mill, however, notwithstanding his sneer, in the beginning of his pamphlet, at my paradoxes, has thought fit to advance on this head what he admits to be a paradox, and as this wonderful, "important, and demonstrative" hypothesis, besides having the charm of novelty, professes to give a *quietus* to the doctrine of the Economists, that a market can be found for a certain quantity of commodities only, it will not be amiss to examine it somewhat further. Mr. Mill grants that his theory will probably appear to his readers to be involved in considerable obscurity. He will therefore pardon me, if, after all the attention I have bestowed to develope its meaning, I should have been unsuccessful. His position, as far as I can collect, is this: There can never be a superabundance of capital; because if one part of it be employed in producing commodities of one description, and another, commodities of another description, the one may be exchanged for the other, and thus the market will never be overstocked.\* — Now, if Mr. Mill mean merely that there will be no superabundance of capital, if in proportion as new capital is employed in the production of manufactures, new

\* 'Commerce defended,' p. 81.

capital to a proportionate extent be employed in producing food to be exchanged for them, he merely asserts what I have asserted before him\*—what the Economists long ago asserted; and I have no dispute with him on a doctrine whose novelty I shall deny, but certainly not its truth. If, on the other hand, he mean to assert, that capital may be employed *ad infinitum* in producing new manufactures, while no addition is made to agricultural capital,—and this must be Mr. Mill's meaning, if, as he asserts, he is controverting a doctrine of the Economists, for it is of *manufactured* commodities only that they contend the market is limited—if such be his meaning, I profess my entire dissent from it. One single argument is sufficient to show its extreme futility; and that of all people Mr. Mill should have sate quiet in his glass-house, without throwing stones at his neighbour's paradoxes. Additional capital can be employed in new manufactures only when there are fresh hands to be engaged. Now, how could Mr. Mill support his increased population, if there were no increase of food provided for them? Half of his manufacturers might make shoes, and the other half coats; but while they were starving for want of bread, it would be a poor consolation to tell them that they might exchange one for the other. Here again Mr. Mill has lost sight of the important truth, that the great use of manufactures is to enable those who possess no share of the soil to obtain their daily bread from those who have monopolized it, by presenting them with some attractive object in exchange for its produce. When Mr. Mill enters into a laboured explanation of the importance of the accumulation of capital to the prosperity of the community, is he ignorant that more than one half of the manufactures in which the bulk of society are engaged are such as never, in the smallest degree, directly contribute to their comfort? What better is

\* See "Britain Independent of Commerce," p. 75.

the poor man for the establishment of a new manufactory of buttons, or buckles, or necklaces, but in as much as it enables him to get more bread? I have contended for the increase of luxury, because I can see no other way by which the poor of Europe can draw the produce of the soil out of the hands of its possessors. But I confess, when I reflect on the squalid looks and depraved morals of the poor children who are cooped up in our great manufactories; when I witness the palsied hand of the gilder and paint-manufacturer; and hear the hectic cough of the needle-grinder and cotton-spinner;—I cordially agree with Mr. Burke “that no consideration “but the necessity of submitting to the yoke of luxury “and the despotism of fancy, *who in their own imperious way will distribute the surplus produce of the “soil, can justify the toleration of such trades and “employments in a well-regulated state.”* If there could be any other mode devised, by which the poor could draw their “meat, clothes, and fire,” from the land-proprietors, than by the fabrication of luxuries, in preparing which they are often, to use the strong but too just language of an ingenious writer, “sacrificed body and soul,” I should most gladly plead for the relinquishment of a great portion of our *wealth*, without any fear of thereby diminishing our prosperity.\*

\* Mr. Mill has given a second edition of most of the observations to which I have just attended, in a chapter with which he has honoured a hasty and confessedly imperfect note of mine on the national debt. But he must excuse me from wearying the reader with the reiteration, in another shape, of the substance of what I have already advanced. The sum of my argument in favor of the national debt is, that it has prevented an excessive accumulation of capital; and the only way in which Mr. Mill controverts this position is, by urging again his former mistakes about consumption being annihilation, and the manufacturing of buttons and buckles to exchange for each other a means of feeding the poor. It is therefore unnecessary to observe more than this: That Mr. Mill has grossly misrepresented me when he has said, that I have recommended extravagance to government; and that a careful perusal of his statements has left me of the same opinion as before.—The Edinburgh Reviewer has wisely left this obnoxious national debt-note unassailed. He fortunately recollected, probably, that he, or one of his associates, in opposing the position of a gallicised Irishman, that our national debt would be our ruin, had maintained a doc-



*Of Commerce, as a Source of the Wealth of Britain.*

AFTER having replied to the objections urged by my opponents against the preliminary doctrines of my pamphlet, I now proceed to a consideration of their criticisms upon this branch of its subject.

I must begin by confessing an error; for the discovery of which, however, I have not to thank any of my adversaries, as it occurred to me before I had had the benefit of their comments. Indeed, Mr. Mill, to my surprise, follows me in this mistake; and the Edinburgh Reviewer does not distinctly point it out. It was certainly injudicious, in the consideration of commerce as a source of wealth to any country, to regard it as divided into the distinct branches of commerce, of import, and of export. It ought undoubtedly to be considered as a whole; and the profit arising from it cannot be ascertained with correctness in any other view. In fact, though in form I have made this division, I have, in treating upon commerce of export, in substance taken into consideration, as it was impossible to avoid, commerce of import also.

But though this division is certainly incorrect, as far as respects the main purpose of it, in other points — and it was these I had in view in adopting it — it is not improper. It is useful, in order to show the gross error of two opinions very prevalent in this country, namely, that commerce enriches the nation by the *money* profit of the importing merchant, and by the duties paid to the government on goods imported. Now, as both these are ultimately paid by the home-consumers, it is clear that it is not in this

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trine almost precisely the same with mine; and proved that our immense debt is not so bad a thing as Mr. O'Connor flattered himself; but has been very useful in absorbing our superfluous capital.\*

\* Edinburgh Review, vol. v. p. 115.

way that commerce enriches a nation. As goods, not money, constitute riches, if merchants could be prevailed upon to import goods and sell them without profit, the nation would surely be as rich as if their profits were most exorbitant. Indeed, these profits are always greatest when the national profits are least. A nation will surely gain more (if it gains at all) by exchanging 100 bales of broad cloth for 1000 hogsheads of sugar, than by exchanging them for 700. But supposing it has exchanged them for the former quantity, and that this was its whole supply: if 300 should chance to be lost at sea, the remaining 700 would sell at home for as much as the 1000, and the importers of the 700 would gain, as *profit* from the consumers, the total amount which the latter would have given for the 300 lost, if the whole had arrived safe. Thus, by attending to the profit of the importer, a nation might appear to get richer by having 700, than by having 1000 hogsheads of sugar, in return for a certain quantity of goods. In the case of duties, it is still more obvious that they are finally paid by the consumer.—In these views, therefore, it was not superfluous to regard commerce of import separately, and as distinct from commerce of export.

Mr. Mill, after a play upon a figurative expression of mine,—with which I have no objection to his making himself merry, if he can draw amusement from applying a metaphor literally,—following my argument, goes on to show that commerce of import is profitable. This he does, first, by stating that goods are of one value in one place, and another in another; and that if we buy a ton of hemp in Russia for 50*l.* which is sold here for 65*l.*, our riches are increased 15*l.* by the transaction. This conclusion I must *in toto* deny. It proceeds from the same source which has led Mr. Mill into so many errors—the use of money as a medium of exchange. He is here asserting that the money-profit of the importing merchant is national profit; which idea we have just shown to be erroneous. According to this mode of reasoning,

the present state of hostility with Russia has greatly enriched this country. In consequence of it, the importers of hemp and tallow have gained 20% a ton more than they would have gained if we had remained at peace; these articles having risen in price to this amount. But will Mr. Mill pretend that this rise is national profit? or that we should not have been as rich if hemp and tallow had fallen 20% a ton? — Mr. Mill opposes my argument, that in such cases the gain of the seller is the loss of the buyer, by asserting that it proves too much, and might be used to show that the country would be no richer if the goods were got for nothing. But this is very preposterous. There is nothing parallel in the cases. When we import goods, we have given something in exchange for them. That exchange determines the profit or loss; which cannot afterwards be affected by any money profit or loss amongst ourselves. But if we got our goods for nothing, these goods would be an accession of wealth. Having got them, their *price* afterwards could have no influence on the mass of our riches. The country would be as rich if they were given away, as if sold for the most exorbitant sum.

Mr. Mill next gives us another view of the mode in which, according to his ideas, commerce of import enriches a nation. It enriches it, he observes, when we export goods which have cost us a certain quantity of food to fabricate, and import, in return, goods, in the fabrication of which we must have expended a greater quantity. Now this statement is a proof of the impropriety of the arrangement in which Mr. Mill has followed me; for we are here told, that we are enriched by the operation of commerce of import, exactly in the same way in which I have allowed that we might gain wealth by commerce of export. Mr. Mill and I mean the same thing; but, having both improperly separated what is in reality one transaction, he has assigned an effect to one branch, which I have assigned to the other. I do not there-

fore pretend to controvert this part of Mr. Mill's reasoning relative to the manner in which commerce of import enriches us. In substance, it precisely agrees with that which I have used to show that we may get rich by commerce of export.

The Edinburgh Reviewer, whatever want of candour he may manifest, deserves the credit of the greatest correctness on this subject. Shutting his eyes to the fact, that I really have, under the head of commerce of export, considered it as combined with commerce of import, he says that he thinks if I had attempted to show that commerce of import is profitable, and commerce of export is not, I should have had a more hopeful task in hand, than in aiming to prove the reverse of this proposition. He then proceeds to inform us, how it is that commerce of import (or rather commerce in general) does enrich us. When the exporting merchant, he says, sells abroad for 60*l.* what cost him at home but 30*l.*, and with the 30*l.* profit buys goods which he imports, these commodities are the national profit. (p. 439.) To this statement I most assuredly shall not object; for, like the statement of Mr. Mill, it is in every respect the same with that which I have employed to show the creation of wealth by commerce of export. The mere difference between us is, as before, that the Reviewer considers the profit of commerce to be derived from one branch, and I from another. Indeed, it is not easy to account for the Reviewer's ignorance that I had actually used the very same reasoning as his own on this subject. After spending several pages in proving that it is not by a balance of gold and silver that our trade enriches us, I observe (p. 52.) that we must receive the profits of our export commerce, in vendible commodities of other kinds: and I instance the case of a merchant selling 800*l.* worth of woollens in Portugal for 1000*l.*, and importing the profit in wine.\*

\* The above is not the only instance of wilful misconception in the Reviewer. Some other of his comments on my pamphlet, though not

As to the mode, therefore, in which commerce creates wealth, where it does create it, no difference exists between us. The three contending parties admit, that a nation derives wealth from its commerce by the profit which it receives upon its exported articles, in the shape of imported commodities.

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directly connected with this part of the subject, deserve to be pointed out as glaring examples of that intended distortion of an author's statements, in which it is to be lamented the writers in this Review too often indulge. Because, in stating it to be absurd to give to our commerce the credit of paying the taxes which are levied at the Custom House and Excise Office, on articles imported, I had corroborated the reasoning by which I endeavour to show that the home-consumer pays all such duties, by arguing that he might pay even greater duties, if he ceased to consume these articles altogether: the Reviewer, perversely shutting his eyes to the obvious circumstance that the latter supposition is an illustration merely, goes on to oppose it as though I had actually advised that government should call upon the people, in the shape of taxes, for all the money now expended in sugar, tea, &c. ! (p. 443.) If the Reviewer had really meant to contravert my position on this point, he should have shown that the duties on tea, wine, &c. are finally paid by the importers of these articles, and could not be raised if we were to cease to import them. The contrary of this is alone what I have maintained.—The Reviewer has kindly advised me to read and digest Hume's Essay on Commerce. I should have no objection to follow his counsel, if I conceived it called for; but, in return, I would beg to advise him, (though I fear in vain) to read and digest the books he attempts to review; and in future to refrain from indulging his wish to render his Review diverting and saleable, by commenting upon the suppositious illustrations of his authors, as though they were positions really maintained by them.

Another of his unfair and perverted comments is upon my argument, that Sir Richard Arkwright could not have got rich if he had spent all his gains in tea, sugar, &c. to be used by *himself*. Though I expressly use the latter restriction, the Reviewer persists in understanding me to maintain, that he could not get rich if his *capita* had been expended in raw cotton, flour, tea, sugar, &c. for his workmen. But what an egregious misstatement is this! What possible parallel is there between the case of a manufacturer spending his gains in tea, wine, and sugar, for his *own* consumption, and of one spending his gains in raw materials, and the wages of his labourers, which are all returned to him?

The last of his garbling mis-statements that I shall attend to, though far from being the only one remaining, occurs in his observations on the reasoning employed by me to show that we do not derive wealth from our commerce with the East Indies. (p. 443.) On this subject I observed, "The only way in which any national profit could be drawn from our East India territories would be from taxes levied upon the inhabitants there, and transmitted to England. But it is well known that the East India Company's expenses far exceed any territorial revenue which they derive from their unwieldy dominions; so much so, that they are already upwards of thirty millions in debt, which, in all probability, the nation will very shortly have to take upon its own shoulders." (p. 91.) The Reviewer

Our controversy, then, merely relates to the amount of wealth derived by Britain from her commerce, which I estimate at a much lower rate than my opponents.\*

On what ground, then, do I deny that our wealth is to be attributed to our commerce? On this: That our imports, to a much greater amount than the value of the profits of our exported articles, have been always commodities of the most perishable description, which, for the most part, are consumed in the year in which they are received, leaving not a trace behind; and which, so far from being necessary even to comfortable existence, are generally positively injurious. I have not, be it observed, intended to deny, that we do annually derive an accession of wealth of some descriptions from our commerce. I have not denied, that by means of commerce, we have more tea, wine, brandy, and tobacco, than we should have without it. I have merely contended, that our present riches have not been derived from commerce, and that our prosperity and power, and that part of our wealth which is really of value, would suffer

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quotes the former part of this passage; and, without making the slightest attempts to contradict the latter clause, asserts, that we really do gain wealth by taxes levied upon the inhabitants of the East Indies, and transmitted to England in goods. What gross ignorance or wilful blindness must have beclouded the faculties of the Reviewer when he made this assertion! Did he not previously know that the East India Company, so far from having any surplus of taxes to remit to England, are forced even to borrow money to pay the balance of their annual expenditure? And if he disbelieves that this is the case, ought he not to have told his readers that it was on this ground I built my argument, and then have given his reasons to disprove it?

\* The arguments of Mr. Mill, from page 41. to 45. of his "Answer," in opposition to my doctrines on this point, are employed in refutation of reasoning, which, in the two first editions of my pamphlet, I acknowledge was confused and not sufficiently precise. But as I have corrected this fault in the subsequent editions, he certainly cannot expect me to combat in favour of positions which I never really meant to hold, and in by far the greater number of copies of my work have not even impliedly maintained. Indeed, as Mr. Mill had the corrected edition before him, previous to the publication of his reply, it would have been no great stretch of liberality, if he had admitted in one of the many notes which he subjoined in consequence of that edition, that his reasoning on those pages had no reference to its amended argument.

no diminution from its loss. On this point, I am ready to admit that my language has not always been sufficiently precise. I have in some places appeared to maintain, that our annual stock of wealth of all kinds is not increased by commerce. But if the context be referred to, it will be obvious that this was not my meaning. Thus, I say, "*We do, it is allowed, gain annually a few millions by our export trade, &c.*" (p. 56.) The positions, then, which it was my aim to enforce, and which I am now about to defend, are, That the wealth which we do derive from our commerce is of little real value, — that our present riches are not to be attributed to commerce, — and that we might as much abound in all that wealth which really contributes to prosperity and power without commerce as with it. On each of these positions it will be necessary to dilate; noticing, as I proceed, the objections which they have called forth.

1. I contend, that the wealth which we do derive from our commerce is in reality of little value. — Although it is undeniable that the term "wealth" includes every thing which man desires, to me it appears equally indisputable that the intrinsic value of different species of this wealth is very different from their nominal or money value. A diamond may be worth, that is, sell for, 20,000 quarters of wheat; but it seems absurd to say that the intrinsic value of the latter is not vastly greater than that of the former. The one will feed 10,000 persons for a year; the other is a mere bauble for the eye. If, then, articles have a nominal and an intrinsic value, it will follow, that the nation which receives the profit of its commodities in articles of intrinsic value, will derive from trade far more of what best deserves the name of wealth than another nation which receives its profits in articles of fictitious value only; even though the nominal amount of the profits of both were the same. Thus, suppose two nations gained each a profit of five millions from its

trade; the one receiving its profits in corn, the other in diamonds for its own use only: would not any unprejudiced person allow that the wealth gained by the former was of far more value than that gained by the latter? Applying this mode of reasoning to our own case, I maintain, that the wealth which we derive from our trade is of very small real value, whatever may be its nominal amount; because it consists of articles no way necessary, but, on the contrary, many of them highly prejudicial to human existence. Laying aside a circulating medium, the profit of our commerce is not ten millions of pounds sterling; but so many thousands chests of tea, so many thousand pipes of wine, so many thousand hogsheads of tobacco, &c. &c. Now, of what value is this wealth, either to the people, considered individually, or to the nation collectively?

First, as to the inhabitants, individually considered. — Of what real value to them are the four or five millions of pounds' worth of tea, which we buy with the profits of our European trade? This weed affords us no nourishment; it does not enable us to fight better — to work harder; it does not feed us, or clothe us. On the contrary, it has perceptibly debilitated us. From a race of nervous heroines, fit for all the active duties of life, our wives and daughters have degenerated by its use into a race of invalids, who shiver at a breeze and start at a spider. Its tempting stimulus induces our poor to expend in it the money which ought to buy beef and bread for their families; and the mother must indulge herself in tea, though the children in consequence become scrofulous by eating potatoes. — What, again, is the real value of the three or four millions' worth of our profits received in wine and spirits? These enticing stimuli embitter and shorten, perhaps by one half, the days of two-thirds of our population. Our men of fortune have to thank them for gout, dropsy, and a thousand other ailments. And our poor, drinking large draughts of liquid fire daily at the dram-shops,



become speedily debilitated, drag on a wretched existence only by the help of opium\*, and from necessity close their shortened lives in the work-house.— It would be tedious, though easy, to run through a long list of imported luxuries in this way: but, without carrying the enquiry farther, how, I ask, can the wealth derived from our trade, consisting of articles of this description, be regarded as intrinsically of any great value? Where would be the vast injury sustained by society, if the destruction of our trade were to induce the loss of profits such as these?— But my opponents will say, that we are the best judges of what we regard as wealth; and as we eagerly purchase these luxuries, they are as valuable to us as any other description of wealth. This, however, I must deny. Men are not always the best judges of what sorts of wealth are of most value to them. If so, the trade which the American Indians carry on, in exchanging peltry for spirits, by which they are on the point of being exterminated, is of value to them. But who will contend this?

Secondly, the wealth which we derive from our commerce is of small value, considered with reference to the wants of government. If the profits of our trade were received in corn or woollens, the state might appropriate a portion of these to the feeding or clothing an army, or the fulfilment of other necessary purposes. But could the government feed men with tea, or clothe them with tobacco, and wine, and brandy?— It may be said that a quantity of these articles might be appropriated by the government, and exchanged for others more necessary. But this very supposition admits the small importance of our commerce; for such an exchange presupposes the prior existence in the country of those

\* It is a truly melancholy reflection, that in the use of this drug, we threaten speedily to equal the Turks. From very good authority, I know that in most large towns the druggists will each sell, annually, from 30 to 40 pounds' weight of opium, in pennyworths, to poor people, who take it constantly as a stimulus, and keep increasing the dose till their death. Many of them, before this event occurs, are obliged to take 4d. and 6d. worth a day!

things essential to the state ; which might have been acquired, therefore, without the intervention of any portion of the profits arising from trade.

But there is another view of the subject, which greatly diminishes the value of the wealth derived from our commerce. The amount of our imported articles of a luxurious and perishable nature greatly *exceeds* the amount of any profits we can be supposed to gain by commerce. We cannot reckon our gains of this description at more than ten millions ; but we import to the amount of more than twenty millions of tea, sugar, wine, &c. If, therefore, the arguments have any weight, by which I have endeavoured to show (p. 52.) that of two nations, if one exchanged its hardware, value 10,000*l.*, for the wine of the other, value 12,000*l.*, the latter would really be the gainer, on account of the superior durability of its manufacture ; it will follow that we cannot be acquiring riches by exchanging woollens, hardware, &c. for wine, tea, &c. But, my opponents say, it would be preposterous to accumulate such articles as these, which are superfluous to us. Now I deny that our exported woollens, and hardware, and many articles of a similar description, are superfluous. There has been no year, since the commencement of our trade, in which the poor of this country would not have gladly found use for all the woollens that have been exported. A few additional blankets, and a Sunday coat for the males of each family, would have gone far in exhausting our exported bales. And can we pretend that woollens, and pots and pans, are our superfluities, when there are nearly a million families in Ireland with scarcely a blanket to defend their limbs from the night blasts which rush through the chinks of their mud hovels, or a pot or a pan in which to boil their potatoes ? When we speak of articles being superfluous to a nation, we ought not to have reference to the rich only, but to the mass of society ; and in this view, I deny that the bulk of our exports are superfluities of which we have no need. — It will be said

that the poor alluded to do not possess the means of purchasing the goods in question : and this I admit ; but this circumstance does not alter the case. If the population would be richer if the necessary goods which we export were *given* to them, instead of being exchanged for unnecessary luxuries, it will not be easy to make it out that we are greatly indebted to commerce for our riches.

2. I contend that our present wealth is not to be attributed to our commerce ; that we have not now in existence any portion of the wealth which we may have derived from it. This I insist upon, because of the peculiarly fugitive and perishable nature of the wealth which we have at different periods drawn from trade. The woollens which the Americans derive from us as the profit of their trade, decorate their citizens as Sunday coats for years ; the axes, the knives, the stoves, with which we supply them, may endure for half a century. But where is the tea, the wine, the tobacco, in which the profits of our trade have consisted ? — As I have stated my opinions on this head very fully in another place, I shall here only elucidate them further, by adverting to the arguments by which they have been opposed.

Mr. Mill's first objection is urged very triumphantly. He says, that it is a glaring inconsistency in an author who values agricultural produce so highly to estimate other commodities according to their durability ; seeing that food is of all things most perishable. But this objection is extremely futile, and easily answered. The reason why food, though so perishable, is of all wealth most valuable, is, that it is absolutely necessary to support life ; and that in fulfilling that destination, it may be transmuted into wealth of the most durable description. If Mr. Mill can show me that tea, or wine, or tobacco, are endowed with these properties, I will no longer quarrel with their want of durability.

The second objection advanced by Mr. Mill against this doctrine, is, that it is inconsistent to recommend

consumption and luxury as favourable to the prosperity of the state, and yet to argue against the utility of commerce, by objecting to the importation of articles of luxury. Here, as in so many other places, the inconsistency is of Mr. Mill's creation. None in reality exists. I do not regard the luxuries of commerce as necessary to stimulate agriculture, because I believe that luxuries, in ten thousand shapes, sufficient for this purpose may be found at home. — But Mr. Mill is incorrect in supposing that I dwell on the luxuries of our commerce to prove that it is of no utility. My argument is not to disprove the utility, but the creation of wealth by commerce. Again, I must beg to be allowed to consider these two qualities as completely distinct. A branch of industry may be very useful and extremely desirable, and yet not create wealth.

Mr. Mill then goes on to observe, that the only distinction of importance between one sort of commodities and another, is that between commodities destined to serve for immediate and unproductive consumption, such as luxuries; and those which are destined to operate as the means or instruments of production, such as the materials of manufactures, iron, cotton, &c. As Mr. Mill allows that this distinction is important, I would beg him to calculate what proportion of our imports are of the former, and what of the latter description. The former, I conceive, he will find to preponderate in the ratio of 4 to 1. But Mr. Mill proceeds to say, “it seems a consideration of very trifling importance, whether articles destined for immediate and unproductive consumption are such as are likely to be all used in the course of one year or of several years.” (p. 78.) This very curious assertion any one of Mr. Mill's female friends will refute. Let him ask one of them, why she buys a Turkish carpet in preference to an English one at a lower price; why she buys India muslins before British; and she will tell him, because they will *last longer*. In truth, to say that durability

in manufactures, other things being equal, is not desirable, is preposterous. Would Mr. Mill think his tables and chairs as valuable as they are now, if they broke down after a fortnight's use? Would he wish that the service of a suit of clothes should finish with the day he put it on? Or would he knowingly give as much for a copy of Dr. Smith, which, being bleached with oxymuriatic acid, would probably crumble to pieces in a few months, as for one on substantial paper that would bear thumbing for half a century?

Mr. Mill next adduces the passage in which I have contended, that a nation manufacturing annually ten thousand pounds' worth of hardware would be richer than one manufacturing annually wine to an equal amount; and he charges me with "simplicity" in instancing the very example which Dr. Smith has brought forward to prove a contrary doctrine. Now, what will the reader think of Mr. Mill's candour, when he learns that I had actually alluded to this very passage of Dr. Smith, in a note to the third edition of my pamphlet, which Mr. Mill had before him; and had shown that Dr. Smith's reasoning on this point was utterly at variance with his sentiments in other parts of his work? If my silence in the two first editions of my work, relative to Dr. Smith's opinion on this point, gave Mr. Mill cause to suppose me ignorant of it, surely it would have been no great stretch of ingenuousness, had he confessed his error in one more note superadded to the many which the third edition has called from him. But as Mr. Mill has not thought proper to notice in the slightest manner the fact that Dr. Smith has, in some parts of his work, maintained opinions precisely similar to mine, relative to the different effects which expenditure in durable and perishable commodities will have upon national wealth, I shall beg permission to direct his attention to these passages somewhat more particularly; and when he learns the opinions of his oracle

upon this subject, he may not, perhaps, deem them so very absurd.

The place in which Dr. Smith adverts to this subject, to which I shall first attend, is the third chapter of his second book, towards the close. After observing that frugality increases the public capital, that prodigality diminishes it, and that the conduct of those whose expense just equals their revenue neither increases nor diminishes it, he says—“ Some modes of expense, however, seem to contribute more to the growth of public opulence than others.” He then continues, “ The revenue of an individual may be spent, either in things which are consumed immediately, and in which one day’s expense can neither alleviate nor support that of another ; or it may be spent in things more *durable*, which can therefore be accumulated.” And he judiciously adds, that of two men of fortune, if one expend his income in keeping a profuse table, and in maintaining servants, dogs, and horses ; and the other in useful and ornamental buildings and furniture, in books, statues, pictures, or even fine clothes, — the latter would, at the end of a given period, be much the richer man of the two. He then infers, “ As the one mode of expense is more favourable than the other to the opulence of an individual, *so it is likewise to that of a nation.* The houses, the furniture, the clothing of the rich, in a little time become useful to the inferior ranks of people. They are able to purchase them when their superiors grow weary of them ; and the general accommodation of the whole people is thus gradually improved, when this mode of expense becomes universal among men of fortune.” And he proceeds to give several other striking reasons for preferring an expense in durable, to one in perishable, commodities. Now, if the doctrine which I have maintained on this subject be, in the eyes of the Edinburgh Reviewer and Mr. Mill, so very absurd, it is to be hoped they will allow that their great master, whose every word is with them gospel, has been

guilty of as great absurdity. Where is the difference between the two doctrines? I have said that a nation employing its manufacturers in fabricating durable articles (instancing hardware merely as an example) will be richer than if it had employed the same number in manufacturing wine. So says Dr. Smith: and before Mr. Mill can satisfactorily controvert the truth of this position, he must overturn, not only my arguments, but the arguments of this celebrated political economist.

But Dr. Smith approximates still more closely in another place to the line of argument which I have adopted on this head. In the second chapter of his second book, speaking of the mode in which the surplus gold set at liberty in any nation by the employment of a paper circulating medium would be employed, he says, "If they employ it in purchasing foreign goods for home consumption, they may either first purchase such goods as are likely to be consumed by idle people who produce nothing, such as *foreign wines, foreign silks, &c.*, or, secondly, they may purchase an additional stock of materials, tools, and provisions, in order to maintain and employ an additional number of industrious people, who reproduce, with a profit, the value of their annual consumption. So far as it is employed in the first way, it promotes prodigality, increases expense and consumption, without increasing production, or establishing any permanent fund for supporting that expense, *and is in every respect hurtful to the society.*" Now we know very well, and surely neither Mr. Mill nor the Edinburgh Reviewer will deny it, that Dr. Smith regards gold and silver in precisely the same light with other commodities. In his eyes a quantity of these metals is not a whit more valuable than a quantity of hardware, which could be sold for the same sum. But Dr. Smith says, that if a nation employs its superfluous gold and silver in purchasing consumable luxuries, such a traffic "is in every respect hurtful to the community." On every

principle of fair reasoning, then, must he not have allowed that it is equally hurtful to the society to expend its surplus hardware in such commodities? This is just what I have contended, and the cases are precisely parallel. It is nothing to me that Dr. Smith's argument in another place is directly opposed to this. Such a circumstance only proves, that this great man was sometimes at variance with himself; and when this is the case, his readers surely have a right to adopt that argument, which, to them, appears most weighty. And at all events, the disciple who embraces one position, has no right to fling the authority of his master in the teeth of an opponent who inclines to the opposite statement; and to charge him with ignorance of the doctrines of the sect.

After this unfortunate specimen of the universality of Mr. Mill's acquaintance with the opinions of Dr. Smith, he favours us with the following notable paragraph: "In fact, nothing can well be more weak  
" than to consider the augmentation of national riches  
" by the accumulation of durable articles of luxury,  
" as a consideration of moment. The value of the  
" whole amount of them in any country is never con-  
" siderable, and it is evident that whatever they cost  
" is as completely withdrawn from maintaining pro-  
" ductive industry, as that which is paid for the most  
" perishable articles. Mr. Spence has an extremely  
" indistinct and wavering notion of national wealth.  
" He seems, on the present occasion, to regard it as  
" consisting in the actual accumulation of the money  
" and goods, which, at any time, exists in the nation.  
" But this is a most imperfect and erroneous concep-  
" tion. The wealth of a country consists in her powers  
" of annual production, not in the mere collection of  
" articles which may, at any instant of time, be found  
" in existence. The only part, it is evident, of the  
" existing collection of commodities which in any  
" degree contributes to augment the annual produce,  
" the permanent riches of the country, is that part  
" which administers to productive labour; the ma-



“chines, tools, and raw materials which are employed  
“in the different species of manufacturing and agri-  
“cultural industry. All other articles, whether  
“durable or perishable, are lost to the annual pro-  
“duce, *and the smaller the quantity of either so much*  
“*the better.*” (p. 51.) In commenting upon this, I  
must in the first place observe, that it is not the accu-  
mulation of durable articles of *luxury* merely, but of  
durable articles of every description, which, I con-  
tend, will augment the national riches. Secondly,  
except it be an indistinct and wavering notion of a  
man’s wealth to regard his house, his equipage, and  
his furniture, as forming a portion of his wealth, as  
well as his annual revenue, I cannot felicitate Mr.  
Mill on the accuracy of his estimate of my opinions.  
When I talk of the wealth of a nation, I include its  
land, roads, canals, houses, ships, and goods of all  
descriptions, as well as “its powers of annual repro-  
duction;” and I am much mistaken if this will not  
be found a more just conception than that which fixes  
the view upon the latter merely. Does Mr. Mill  
really think, that the articles just enumerated, the  
value of which Gregory King, a century ago, esti-  
mated at 650 millions, form no portion of the wealth  
of Britain? If so, and certainly his observations  
warrant the supposition, we have reason to congratu-  
late him on the distinctness and steadiness of *his*  
notions as to what constitutes national wealth. But  
Mr. Mill’s extraordinary passion for commodities  
that administer to productive labour, is most worthy  
of note. That these are in general more valuable  
than the articles which they create, is a position that  
I do not mean to dispute; but I must confess I am  
somewhat startled to be told, that “of all other ar-  
“ticles, whether durable or perishable, the smaller the  
“quantity the better.” So, then, Mr. Mill really  
thinks that it would be better if all the houses, and  
coaches, and tables, and chairs, and clothes, and  
furniture of all descriptions in the kingdom, were  
burnt to-morrow! All these are lost to the annual

produce, and as, therefore, according to him, "the fewer of them the better," he doubtless thinks a general conflagration from one end of the kingdom to the other, which should clear it of every thing but the articles administering to productive labour, would be very desirable! Marvellous accuracy of conception this, to be sure! Well may Mr. Mill charge his opponents with "weakness" and "inconsistency," "unsteadiness" and "perversity."

It is unnecessary to waste many words in refutation of an instance adduced by Mr. Mill in support of his notions on this subject. He says, that it would be little better to import durable trinkets than volatile perfumes. This is truly, as he observes, an argument to the ignorance of his readers. Who advised the substitution of trinkets for perfumes? Or who, indeed, would deem it worth while to advise any thing at all about articles so trifling? What have they in common with tea and wine in which we annually spend eight or ten millions? Could nothing but durable *luxuries* be imported in the place of these articles? — But, here, again, Mr. Mill is misapprehending me. I do not object to the importation of these articles. I merely assert, that we do not accumulate riches by importing them: and so I shall assert, until Mr. Mill can show me the house, the bridge, or the manufacture of any kind which we have created by their use. When he can show me that any, the smallest portion, of our existing riches is to be attributed to the hundreds of millions that we have expended in these articles, I shall admit the importance of the commerce which acquires them. But as, in the case of a man possessed of landed property to the amount of 120,000*l.* a year, and carrying on also a manufacture, the profits of which amounting to 10,000*l.* a year, he expended in wine, tea, tobacco, &c.; I should feel but little inclined to consider him dependent on his manufacture, or to pity him if uncontrollable events were to deprive him of it; so in the instance of Britain, I must persist in

my conviction, that it can be of very small importance to her, whether she have ten millions' worth of tea, wine, and tobacco, while she has a permanent and indestructible revenue of twelve times as much, comprising every thing necessary to comfortable existence. \*

*Of Commerce as a Stimulus to Agriculture.*

MANY of those who have admitted the force of the arguments by which I have endeavoured to show the small importance of commerce to this country as a

\* Several of the charges urged against me by Mr. Mill he has brought forward in notes tacked to his main arguments. These are for the most part so futile, that I notice a few of the chief of them here, only that he may not conceive I regard them as more unanswerable than the rest of his treatise.

To his note at page 35, accusing me of "unsteadiness" in expressing pity for those who are deprived of the goods which they import from us, while I deny that import commerce enriches, I answer by asking him, if I may not be allowed to regard the loss of import commerce as injurious to *some* states, by reason that its loss must necessarily induce the loss of their export commerce, which does create a part of their wealth? Besides, I must again insist on being permitted to make a distinction between wealth and convenience; and to deem a branch of commerce of vast importance on the score of utility, while I value it low as a source of wealth.

In reply to his note at page 41, I would request him to allow me to form my own rule as to deducting or not the charge of insurance from the profit of the exporting merchant. If I had included that charge, I should have estimated this profit not at 20, but 15 per cent.

At page 57, Mr. Mill is able to amuse himself with contrasting my opinion, that a subdivision of land would tend to augment the prosperity of a country, with an assertion in another place, that the division of land is the bane of increase of national wealth. — This objection Mr. Mill would have spared himself the trouble of making, if he had chosen to permit me to distinguish between the wealth and prosperity of a state. He does not think fit to make such a distinction. I do: and in this point of view, though I have not the slightest doubt that our custom of consolidating several small farms into one large one has increased the surplus produce, the disposable *wealth* of the country, I have little hesitation in believing that this system has greatly diminished the *prosperity* of an important branch of the community. The 20 families which were formerly maintained on 20 farms of 50 acres each, were surely more prosperous, enjoyed more independence, more domestic happiness, and all that is most desirable to man; than now, when five of the families, as the servants of a master, can cultivate the same land thrown into one great farm of 1000 acres, and the remaining 15 families are crowded in the wretched cellars of Manchester or Birmingham, immersed in dirt and misery. Yet the latter system is most conducive to the augmentation of national wealth. But when will Mr. Mill learn, that *wealth* is not the object to the acquisition of which alone nation should attend?

source of wealth, have yet contended that I ought consistently to have esteemed it more highly as a stimulus. They think that an author who has so expressly insisted upon the necessity of manufactures for home consumption, for the purpose of encouraging agriculture, should have admitted also, the importance of commerce in this view. Mr. Mill has introduced this objection, not so much directly, as in the shape of a dexterous substitution of the term commerce in lieu of manufactures, in speaking of my admissions as to the importance of the latter. (See p. 55 and 63.) And in a note, he says, he cannot conceive what difference can exist between manufactures for home consumption and for exportation, as to their influence in promoting agriculture. But the most ingenious arguments that I have seen in support of this objection, have been brought forward by DR. RANDOLPH, in his "Few Observations on the Present State of the Nation." It is the latter, therefore, which I shall have chiefly in view in what I am about to urge on this point; and while I profess to remain unconvinced of any inconsistency in my opinions, I cannot refrain from expressing my sense of the candid and dispassionate manner in which Dr. Randolph has opposed me.

It is necessary to begin by observing, that I never meant to deny that commerce *has* contributed indirectly to the encouragement of agriculture. But surely it does not follow from this admission, that it is *now* necessary for this end. The stimulus of bark may be very useful in driving off an ague; but when once this effect is accomplished, what necessity is there for continuing the medicine? So, although the influence of commerce may have contributed to augment the effect of manufactures for home consumption, in encouraging agriculture, it by no means follows, that this influence is now necessary, and that the latter alone are not fully adequate for the purpose assigned them. It will be recollected, that the great value which I place upon manufactures, consists in their operation

in increasing the prosperity of the community, by offering an incitement to the cultivators to spend the revenue which they derive from the soil. If, therefore, the same temptation can be held out, without the intervention of foreign commerce, there exists no necessity for it. It may have contributed to our more speedy release from the thralldom of the feudal system, and its continuance may on many accounts be desirable; but our cultivators having acquired a taste for novelty and expense, which they *will* gratify in home commodities if they are unable to procure foreign commodities, all the benefits which *have* accrued from commerce may now be acquired without its aid.

In opposition to the reasoning by which I have supported this position, Dr. Randolph urges, that “the home market is supplied to the fulness of its demand before exportation takes place; and the consumption of luxuries, fabricated in our own country, has gone as far as convenience, fashion, taste, or caprice chooses to carry it.” He then infers, that the continuance of commerce is necessary to exchange the surplus of our manufactured articles for luxuries of various descriptions, and he contends, that it would be of no moment if these luxuries were as volatile as nitrous oxide, as they would have fulfilled their destination in stimulating to exertion and the promotion of agricultural improvement. — The ingenious author, throughout his reasonings, takes for granted what I conceive to be a fallacy. He supposes that if commerce were to cease, the luxuries which it supplies, or *succedanea* for them, could not be procured at home; that the cultivators could not then find objects on which to expend their revenue; and that, consequently, a large proportion of the manufacturing class must starve, or be supported by charity. — Now, to show how little ground there is for these conclusions, let us suppose that our foreign commerce of every description were entirely to cease; and let us then run

over a few of the more important articles with which it now supplies us, and inquire whether it be likely that the population of this country would not demand some substitutes for them, and whether it would not be easy to furnish such.

The most valuable of our imports is *sugar*.\*— Is it at all likely that those whose palates have once been gratified with this delicious substance, and who have the means of paying any price for it, would voluntarily give up its use, if there were a possibility of procuring it at home? Now commerce is not essential to procuring this luxury. Sugar may be extracted from the beet root, from carrots, and other vegetables, besides the sugar-cane, and at a cost, too, not greatly exceeding what the price of West India sugar ought to be. Mr. Adams saw a loaf of sugar at Hirschberg, in 1800, which had been manufactured from beet root, and cost only twice as much per pound as West India sugar.† If, therefore, no sugar could be had from abroad, can it be doubted that capital would be invested in producing it at home? If a rich landholder could not purchase it for one shilling a pound, would not he willingly give 3s. or 4s., rather than be without it; and would not this demand infallibly be supplied? And with respect to the poor, would not 20,000 men be as well employed in the healthy occupation of cultivating beet root, and 20,000 more in manufacturing it into sugar, as 40,000 are now in weaving cottons and hammering hardware for the purpose of exchanging for this luxury? And would they not thus as readily draw their subsistence from the land-owner, and as much promote agriculture? The only difference in result between the direct and round-about production of sugar, would be, that less of it would be enjoyed

\* I am aware that sugar and colonial produce in general ought not strictly to be deemed objects of foreign commerce; but as they are always considered such, in the estimate of our imports, it is not possible to make the proper distinction on this point, in a work of this nature. Besides, I am now arguing on the supposition of the *loss* of our colonial trade.

† "Travels in Silosia," page 126.

for the same cost. This would be the extent of the evil.

Another of our imports, to the amount of two millions annually, is *wine*. Can it for a moment be imagined, that the cessation of the importation of wine, would be the signal for the cessation of its use? But how procure it? it will be said. I answer, without the slightest difficulty. Sugar and fruit of any kind, are all that are essential to the production of wine. Even now, many a connoisseur has been cheated with gooseberry wine for Champagne; and with perry made astringent with the juice of sloes and elderberries, for port. If there were a demand for home-made wines, they would most assuredly be speedily manufactured in quality equal to any foreign wine, and if wine-drinkers deem high price essential to good wine, the Excise Office would be able to accommodate them in this respect. Let it be supposed, even that our luxurious *bon vivants* affected to despise gooseberry or currant wine, where would be the difficulty in gratifying them with wine made from the grape? Such wine was made in this country 600 years ago\*, and why might it not again, if a proper sort of vine were cultivated? And if, after all, the drinker of claret or burgundy must have his favorite liquor, the hot-house would be resorted to, and he might be indulged, merely by paying two guineas a bottle where he now pays one. Here, again, I ask, If the manufacturers of broad cloth, which we give to the Portuguese in return for wine, would not be as well employed both for themselves and their country, in making the wine at once at home?

*Tea* is another of the luxuries in which we expend five or six millions annually. Could no substitute be found for this exhilarating weed? If we *could* not procure it, is it likely that our females would

\* William of Malmsbury informs us, that in the 12th century, the Vale of Gloucestershire produced as good wine as many provinces of France.

again betake themselves to a beef-steak for breakfast, and a glass of ale or a posset for their social afternoon's repast? Is it not far more likely, that the infusion of mint, balm, or of some other of our native herbs, which require only custom to make them as palatable as tea, and which are now used in preference by many, would be speedily adopted by all? Would it not, as an ingenious correspondent has observed to me, be in every respect more beneficial, if the ships and men now employed in fetching tea from China were occupied in bringing dried herbs from Ireland? And would it be any thing to be deplored, if a new source of occupation, in growing and preparing these products, were offered to a few hundred thousands of the redundant population of our sister island?

*Silk* is a considerable article of import; and some may think that it would be impossible for our females to expend so much money as this costs them, in any other article of dress. But are such persons ignorant, that there are *stuffs* at this moment manufactured, more costly than any silks; and that there is no limit to the value which the manufacturer can confer upon a few pounds of wool or flax? Do they suppose, that if a dame of fashion could not distinguish herself from the crowd by silken apparel, that she would not be offered the opportunity by the stuff manufacturer, or the lace or cambric weaver, of decorating herself with fabrics which no vulgar pocket could reach? And if, at all events, she must have silk, is there any physical impossibility of producing it in this country? We can grow mulberry-trees and feed silk-worms as well as the Italians, only not so cheaply.

I might go on in this way instancing a thousand articles imported, but the enumeration would fatigue the reader. I have adduced the principal, and if he feels inclined to extend the list, he will find that there is scarcely one that might not either be produced at home, or a substitute for it be found: and



he will find, too, that so far from there being any reason to dread that our manufacturing population could not find employment in the event of losing our trade, that this very circumstance would call for more hands than could possibly be at first supplied. And this employment is all that the prosperity of the country and the encouragement of agriculture require.

Indeed, the supposition that the desires of mankind have any limit — that, if deprived of one object, they will not expend their revenue in some other, — is contrary to every just view of human nature. The land-owners of this country spent their revenue when there was scarcely a luxury in existence ; and they would continue to do so, even if they were again obliged to maintain a crowd of idle retainers. Nor is this my own opinion merely. Mr. HUME, who will scarcely be accused of far-fetched refinement, after stating that commerce is of use to a nation, by enabling it to emerge from barbarism, and by extending the power of government over the population and produce of a country, thus continues, “ When the affairs of the society are once brought  
 “ to this situation, a nation may lose most of its  
 “ foreign trade, and yet continue a great and power-  
 “ ful people. If strangers will not take any particu-  
 “ lar commodity of ours, we must cease to labour in  
 “ it. The same hands will turn themselves towards  
 “ some refinement in other commodities which may  
 “ be wanted at home. *And there must always be*  
 “ *materials for them to work upon ; till every person*  
 “ *in the state enjoys as great plenty of home com-*  
 “ *modities, and those in as great perfection as he de-*  
 “ *sires ; which can never possibly happen.*” On this point I regard the authority of this profound political Economist as conclusive. The case which we are considering, he had contemplated, and his decision upon it precisely accords with the opinion I am now maintaining.

Thus, then, Dr. Randolph, I trust, will admit that a sufficient stimulus for the encouragement of agriculture may be had without commerce. — Mr. Mill, too, will allow me, I hope, to distinguish between manufactures for home consumption and those for exportation; and without wishing to insinuate, as he supposes I am desirous of doing, that there is a difference between them in respect to their encouragement of agriculture, I must be permitted to contend, that they are not both equally essential to prosperity. Commerce may have stimulated agriculture, and it may now stimulate it, but it is not *necessary* for this purpose; and therefore, in this view, as in every other, we are completely independent of it. \*

\* Mr. ARTHUR YOUNG has honoured me with a letter of comments in Mr. Cobbett's Register of the 20th February. Much of its substance has been replied to in the preceding pages, and the extent to which this pamphlet has already reached, precludes a full consideration of its arguments; but as connected with the above subject, I will here briefly advert to the chief of them. — Mr. Young says, that the loss of one quarter of the commerce of Britain in the American war, caused a diminution in the price of grain and wool — in the rent of land — and a consequent stagnation in industry of all kinds; and that these facts are a sufficient refutation of my theory. — In reply to this, I would observe, in the first place, that the mere fact of corn having been low in some of the years of the American war proves nothing. The price of this necessary of life is affected by such a variety of circumstances, that a much more extensive adduction of documents than Mr. Young has furnished, is necessary, before it could be admitted that the loss of commerce was the cause of its diminished price. Indeed, on looking at the *whole* of the table from which Mr. Young has given an extract, (Ann. of Agric. vol. iv. p. 391.) I confess I can draw no inference whatever from it. In 1771, before the American war broke out, wheat was 5s. 10d $\frac{3}{4}$  a bushel. In 1777, in the midst of the war, it was 5s. 8 $\frac{1}{4}$ d. a bushel, and in the following year, when the greatest falling off in our exports took place, it was still 5s. 3d. the bushel, a diminution of only 5s. 2d. a quarter. The variations in these 12 years, therefore, are not to be accounted for by any reference to such a cause.

But, in the second place, there are other arguments to prove that the "facts" brought forward by Mr. Young are not of the slightest value. He says, the loss of one quarter of our export trade in the American war occasioned the diminution of the price of corn. Then the same cause ought always to produce the same effect: yet at the beginning of the last war, our exports fell nearly in as great proportion (in 1792 they were 18,336,000*l.*, and in 1793 only 13,892,000*l.* official value) and still, in September 1792, the price of wheat was only 5s. 6d. a bushel, while in September 1793 it was 6s. Thus we have facts producing results directly in opposition to those of Mr. Young.—But, moreover, Mr. Young is not very correct in asserting that the distress which took place in the American

I have now replied to the main arguments with which my principles have been combatted. To have adverted minutely to all the objections which have

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war was "attributed, at that time, by every well-informed man in the kingdom, to the decline of manufactures and foreign commerce." I can produce him the authority of a man, who, whatever may be Mr. Young's opinion of him, I am disposed to think was at that time "well informed," who attributed the then low prices of corn, land, &c. to causes very different. If Mr. Young will turn to his own "Annals of Agriculture" (vol. i. p. 35.), he will find, that in 1789, he *himself* gave it as his opinion, that these symptoms of distress were *solely* owing to an impeded circulation, arising from the transfer of the great loans negotiated by the treasury, from their usual channels of employment. His own words are, "*To this want of circulation was almost singly owing all the distress we experienced from the war.*" He does not even allude to the loss of commerce as a cause of the evil; and indeed to such an evil, springing from what Mr. Young terms "a deplorable want of money," this loss must have been an alleviation; as it must have thrown, as it now does, a great mass of unemployed capital into the money market. — Thus Mr. Young has himself afforded the refutation of all his conclusions on this subject.

But though I deny the accuracy of Mr. Young's data, their undoubted truth would not in the slightest degree affect the stability of my positions. I have never denied that considerable inconvenience would ensue from the sudden changes which a total or partial loss of commerce must require; and hence (I must repeat it for the hundredth time,) I have never advised a voluntary renunciation of it: but it by no means follows, that any consequent depreciation in the price of grain or of land would have such an operation on the national prosperity, as to prove that commerce is essential to us. A fall in the price of agricultural produce, would not diminish the quantity of corn grown in the country; or, if it did, the price would soon rise again. And so long as the same produce is raised, its temporary nominal price is of little consequence. But, in truth, it is quite absurd to fear that any great fall in the price of corn, with which we are never fully (though in good years nearly) supplied, should be caused by the loss of commerce, when that very loss will keep the market bare, and of course the price high. And it would not, perhaps, be by any means inaccurate to contend, that the temporary depression induced by the transfer of industry from one description of objects to another, would be in the end beneficial, in the same way as Mr. Young has expressly admitted the fall of prices in the American war was: which fall, he says, was "*more like an indisposition that leads to a milder regimen, than a dangerous disease that affects the patient's constitution; rather a relaxation to activity, than a prevention of vigour.*" (Ann. of Ag. vol. i. p. 36.) — Mr. Young has accused me of inconsistency, but I submit to the reader whether it is likely I should have fallen into any contradiction more glaring than this. I have a high respect for the talents, the patriotism, and the unwearied and well-directed industry of Mr. Young; but I confess I am somewhat surprised that he who, in 1784, regarded a temporary depression of prices as ultimately beneficial; who, in a passage which I have quoted, has given his animated assent to the opinion of Adam Smith, "That the flourishing situation of England is more to be attributed to the security of farmers in their leases, than to all our boasted laws for the encouragement of

been urged by other writers in numerous periodical journals, would have extended this pamphlet to a tedious and unreasonable length. I can with truth, however, say, that I have not knowingly passed over any one of them, which seemed to me of the slightest weight or plausibility. This examination, hasty as it must necessarily have been, I flatter myself has shown that all these objections are founded either upon a misconception of my arguments and conclusions, or on reasoning far from valid. And the corroboration of the most important of the doctrines on which I have insisted, which has been gained by an appeal to the authority of modern political Economists of acknowledged eminence, will, I trust, have proved to those who are disinclined to estimate the soundness of reasoning on its own merits, but pin their faith on great names, that these positions are by no means the discarded paradoxes which some ignorant critics have pretended.

*Agriculture*, then, in concluding, I think I may assume to have proved, is, in a pre-eminent and especial manner, the source of our wealth and revenue; so much so, that no other branch of industry has a claim to be considered as creating our immense riches. This it is, and this alone, which enables us to maintain an army and navy so extensive, to pay

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“foreign commerce”—should now look upon this commerce as essential to our prosperity, because its loss may lower the prices of grain and wool!

As the substance of the rest of Mr. Young's letter has been adverted to in the preceding pages, I will, in concluding this long note, merely observe, that in one instance Mr. Young has scarcely dealt fairly by me. He has reasoned on my arguments as though I had really proposed that the consumers of this country should, in the event of losing our trade, buy all the cloth, hardware, &c. previously exported. But he must have seen that my statements on this subject were merely hypothetical, and meant to show that we have the *power* of supporting the manufacturers now occupied in preparing the objects of foreign trade. What I have really advised, is, their employment in producing the articles now imported; and, at p. 62—65 of my pamphlet, I have actually shown that the growth of corn, hemp, and a thousand other articles now imported (the very plan which Mr. Young recommends, as though I had never alluded to it) will be the mode in which our manufacturers must, in such a case, be employed.

taxes so enormous, and to support so large a body of manufacturers and idlers of all descriptions.

*Manufactures* for home consumption, though highly useful and necessary, I have still thought myself bound to contend, cannot, in any proper sense of the term, be regarded as a source of our wealth. Yet as a stimulus to agriculture, as transmuting the produce of the soil into wealth of another kind, and as contributing greatly to our enjoyments, their value cannot be disputed; and no one is more sensible than myself of their vast importance in these respects, or has more strongly insisted upon their claim to encouragement and protection.

*Commerce*, that is the exchange of manufactures fabricated by us for the use of foreign countries for their products, I have deemed myself, as before, warranted in concluding, is no source of our essential wealth, and utterly unimportant as to its influence upon our power and prosperity. We are indebted to it merely for a few luxuries, for the most part of questionable utility, and many of them productive of the most baneful injury to our health, our morals, and our happiness. To other countries commerce may be necessary. The sterility of their soil may render them dependent on their neighbours for food; for their unchecked progress in prosperity, may be required the power of purchasing their manufactures, in order that they may devote their undivided attention to agriculture; or nature, not always alike bountiful, may have denied them the raw materials of some of the most essential manufactures.\* But our

\* Mr. Mill has ridiculed the idea that our commerce is more beneficial to those with whom we trade, than to ourselves. But I know not on what ground he considers this position as absurd. Can he deny that the facility with which the Americans have obtained credit for the manufactures bought of us, has enabled them to apply their whole capital to agriculture; and that thus their progress has been beyond calculation more rapid than if they had manufactured for themselves? America, in fact, even since the Revolution, has been virtually cultivated by British capital; and who can doubt which has been the greatest gainer? It is incalculable, too, how much Russia, Poland, Prussia, and the rest of the Continent of Europe, have been benefitted by the stimulus which the artificial rise in our prices, caused

lot, thanks to a kind Providence, is not thus dependent. Possessed of a soil in extent sufficient for a population thrice as large as ours, — of fertility rendered superior by our improved modes of agriculture to that of the most favoured southern climes — concealing in its bosom an inexhaustible mass and variety of mineral treasures, and capable of producing on its surface all that use or luxury the most unbounded can require:—Enjoying too, a state of civilization and refinement which will infallibly call for endless novelty in gratification; and a perfection in manufacturing industry which can never be at a loss in supplying these wants; and thus in no need of any further stimulus to our agriculture than can be found at home:—Commerce is in no sense necessary to us. We are in every view entirely independent of it.

Aware of the advantages, intellectual, moral, and religious, which the human race derive from their intercourse with each other; and that temporary evils must necessarily follow any sudden change in the direction of our industry, I have not recommended that we should voluntarily relinquish our commerce, nor is it desirable that the efforts of our enemies to destroy it should be successful. But should these efforts succeed, should our commerce be wrested from us by a train of events not to be controlled, we have this great consolation—that our riches, our power, and our prosperity, are derived from other sources not within the sphere of our rival's malice. Our agriculture, and our manufactures for home consumption, he cannot touch, and by aid of these alone we shall still as much as ever tower pre-eminently in ever great and good quality, above the rest of the nations of the globe.

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by the national debt, has given to their agriculture. All these countries, almost solely through our demand, have had the price of their hemp, flax, grain, wood, &c. doubled within these thirty years. And who doubts of the beneficial effect of a gradual rise in prices on every branch of industry?

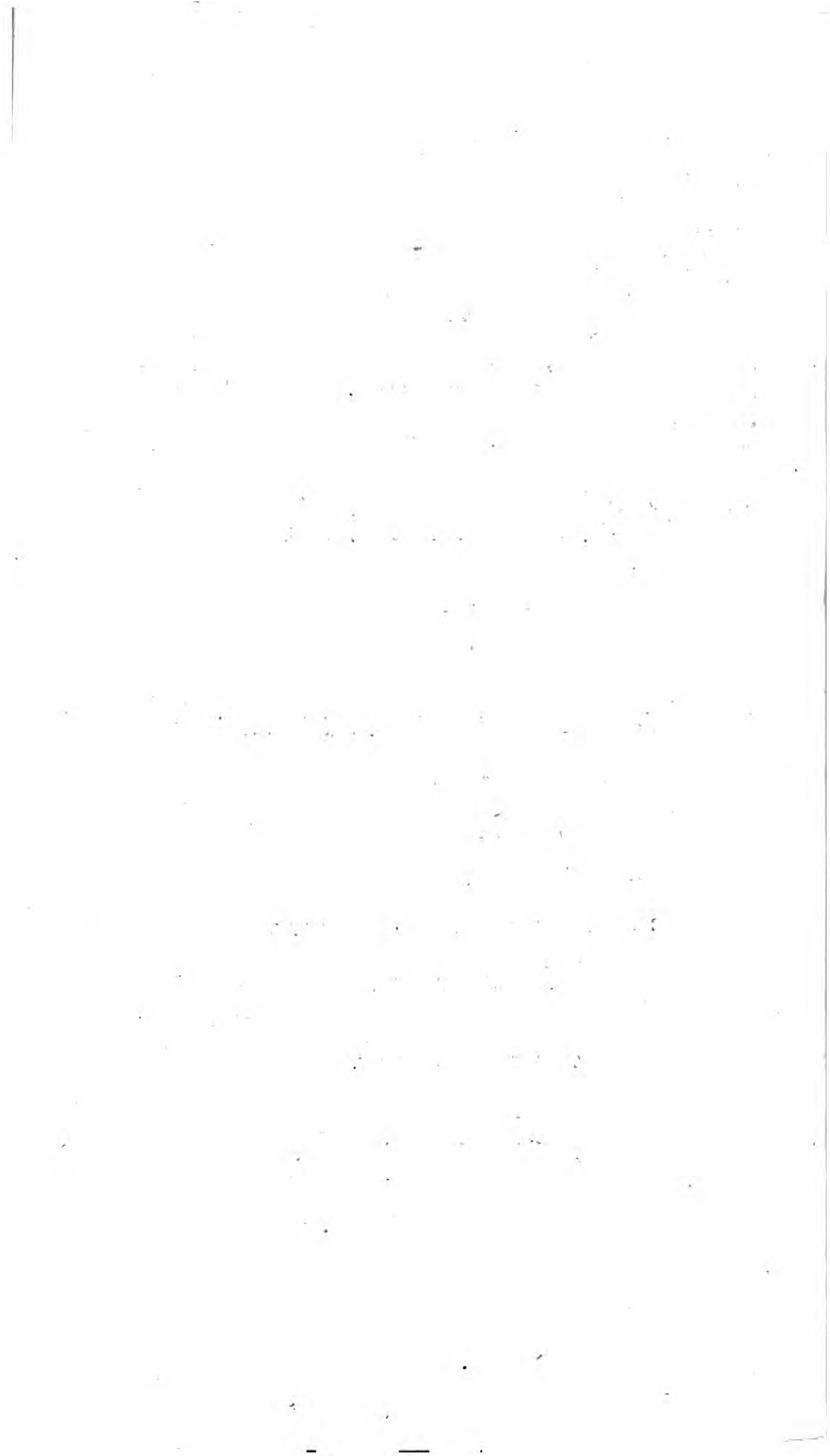
THE  
OBJECTIONS  
AGAINST  
**The Corn Bill**  
REFUTED ;  
AND THE  
*NECESSITY OF THIS MEASURE,*  
TO THE  
VITAL INTERESTS  
OF  
EVERY CLASS OF THE COMMUNITY,  
DEMONSTRATED.

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THE FIFTH EDITION.

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LONDON. 1815.





TO THE  
**Holderness Agricultural Society,**

WITH WHICH

EVERY NEW YEAR OF HIS ACQUAINTANCE HAS  
SERVED ONLY TO RIVET MORE FIRMLY  
HIS CONVICTION OF THE  
INFORMATION, LIBERALITY, AND WORTH,

WHICH

DISTINGUISH THE CHARACTER

OF THE

BRITISH FARMER;

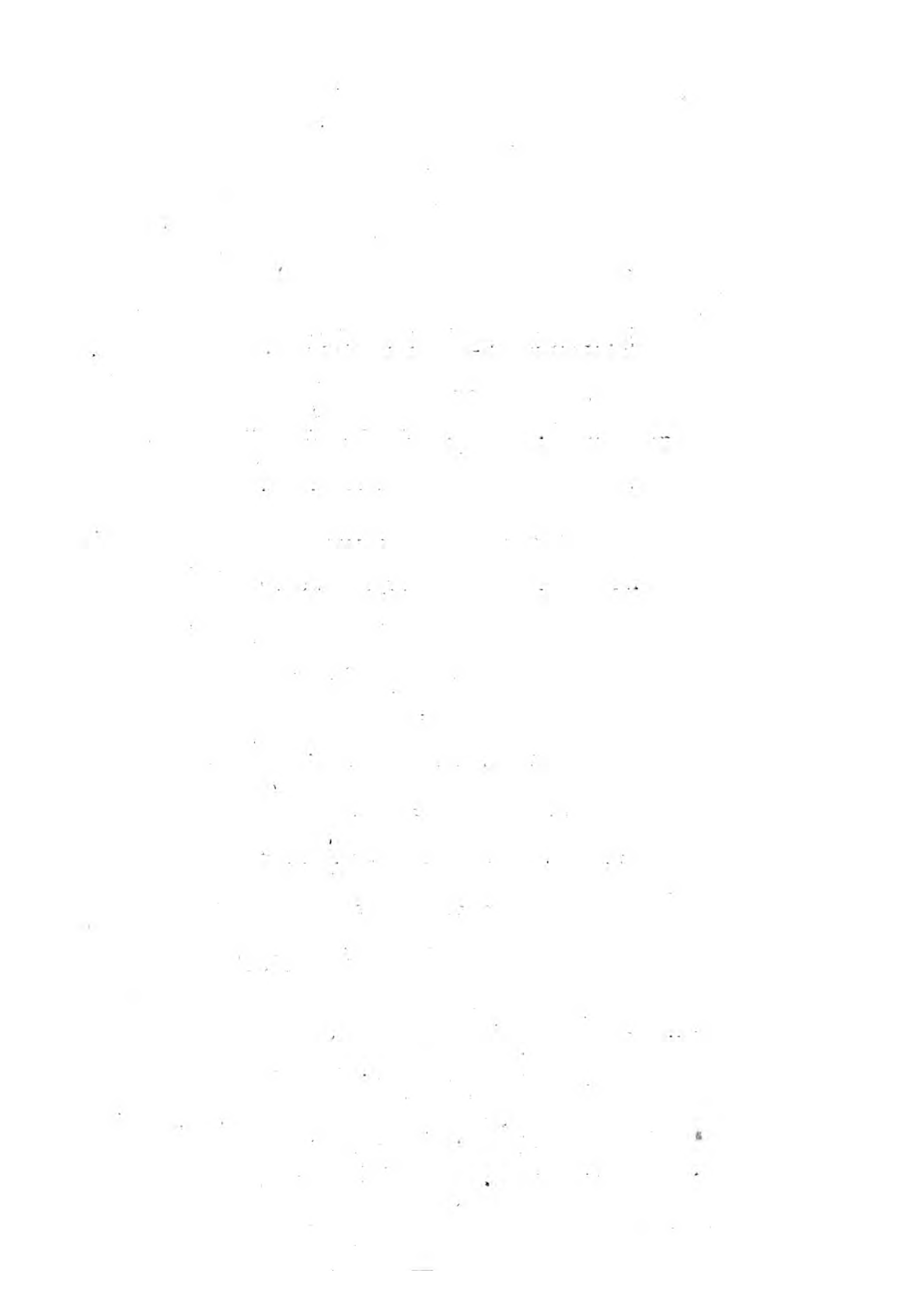
THIS TRACT IS INSCRIBED,

WITH EVERY SENTIMENT OF RESPECT

AND GRATITUDE, BY

THE AUTHOR.

*Drypool, January 17th, 1815.*



THE  
OBJECTIONS  
AGAINST  
THE CORN BILL

*Refuted, &c.*

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**T**HOUGH, from the outset of the discussion, convinced of the futility of the arguments of those who opposed the Corn Bill, and disgusted with the selfishness of many of the petitioners against it, who, though entrenched in monopoly on every side, and ready to set the kingdom in a flame at the slightest intimation of any thing like foreign competition with their manufactures, could oppose, as the very height of injustice, the slightest approximation to similar privileges, on the part of their agricultural brethren, I thought it needless to add to the publications on a question, the merits of which appeared so simple and obvious, and from a short delay in the final determination of which, there did not at that period seem any great probability of much injury being sustained by the agricultural interest.

But now that this supposition has been proved fallacious; — when the importation of upwards of three hundred thousand quarters of wheat from France, within the last four months alone, has re-

duced the best grain to a price that would be a losing one, even were the land rent-free, and rendered the ordinary qualities unsaleable; — when thousands of farmers, who but twelve months ago were living in prosperity, are utterly unable to raise money for their taxes merely, and tens of thousands to discharge them, are forced to sell their produce at less than one half of its prime cost, — when, in short, one wide-wasting ruin is extending over the farming world in every direction, and threatening the destruction, not only of a portion of the community, allowed by every political economist to be the most valuable, but of the very source of our riches, prosperity, and greatness, — I should accuse myself of an inexcusable apathy to the best interests of my country, if I were any longer to forbear joining my feeble voice to those which have already called upon the legislature to avert from us impending ruin.

One thing I must premise, — I am a perfectly disinterested advocate. I do not occupy, nor do I now possess a single acre of land; and it is consequently my individual interest, like that of others whose property is in money, that Corn should be cheap. The arguments which I shall urge, therefore, can only proceed from my conviction of their truth, and that however apparently national and private interest may be sometimes opposed to each other, they never can be so in the end.

What, then, is the simple state of the question? — The British farmer raising his corn under enormous expenses of every kind, — labour, — poor-rates, — high-way-rates — taxes, direct and indirect, without end\*, — prays that he may be enabled by a duty on importation equivalent to these extra charges, to meet on equal terms in the market, his foreign rivals, who are not subject to one half of his ex-

\* Mr. Younge calculated twenty-four years ago, that the taxes of every description paid by himself and tenants out of a rent of 250*l.* per annum, amounted to 220*l.* — *Annals of Agriculture*, vol. xv, p. 190.

penses : in other words, that while every quarter of wheat absolutely costs him seventy shillings, he should not be exposed unprotected to the ruinous competition of Poland and France, of which one can afford to sell at a few shillings above thirty, and the other with good profit at forty. One would have thought that universal assent must have attended the proposition of so reasonable a request ; but it is well known that the objections to granting it have been loud and universal. It would be endless and a waste of time to reply to all these ; but such of them as seem of any weight, it shall be my business here to attempt to answer, adding afterwards a few considerations on the question, which do not appear to have been adverted to. The short interval between the time of taking up my pen \* and the meeting of Parliament, before which this tract to be of any use must be published, will be admitted an apology for all imperfections of style and arrangement.

#### OBJECTION FIRST.

The first great objection usually urged by the opponents of a Corn Bill, is, that it is contrary to every sound principle of political economy. They quote Adam Smith, and tell us that it is one of his first axioms, that the greatest freedom of exportation and importation, unrestricted by duties, must be to the interest of every country.

That this is true in the abstract, few, I believe, pretend to deny ; I certainly not for one : and if the petitioners against the Bill (such of them at least as are manufacturers) had consistently followed up the principle, however the justness of its application in the present instance might have been disputed, no one could have denied their candour and disinterestedness. If, for example, the woollen manufacturers had come forward, and said to the

\* 10th January.

legislature, “ In former times we have been the advocates of the monopoly of the home market; but we have seen our error. We know that the farmers might have sold their wool, of which we have for the last hundred and fifty years secured to ourselves the exclusive right of purchase, on the average for two or three millions per annum more than we have given them for it\*; and we are aware that the French manufacturers of woollens could supply our English customers with several of our articles, at a cheaper rate than we charge, were it not for their being prohibited. Desiring henceforward only to do as we would be done by, we are convinced that this is all very wrong, and while we deprecate every thing like an approach to monopoly, on the part of our agricultural brethren, we are perfectly ready to do away our own :” — If the linen manufacturers, making a similar confession, had prayed that the duties on Russia linens might be taken off; and the cotton and silk manufacturers, that the muslins of India and the silks of Italy might come into competition with theirs : — doubtless it must have been admitted that their conduct was fair and candid, and that selfishness had no share in their opposition to the Bill. But what must we think of it when we know that not only no such propositions have been made on their part, but that the slightest hint of applying the axiom of Dr. Smith, to which they cling so tenaciously, to their own case, would set them up in arms from one end of the kingdom to the other, and cause them to move heaven and earth to oppose its adoption? Need I say another word in answer to this objection, when proceeding from the manufacturers of Britain, the great mass of the petitioners, every one of whom either enjoys a strict monopoly of the home market, or is put upon a footing decidedly superior to that of his foreign rivals, by the imposition of heavy import duties.

\* See the masterly statement and conclusive proofs of this fact by Sir Joseph Banks, in Young's *Annals of Agriculture*, vol. ix. p. 479.

Let these gentlemen meditate on the beam that dims their own eye, and hold their peace. However unjust restrictions upon importation may be, *they* are not the persons to cast the first stone at them.

But those who throw out the objection under consideration are not all of this class. Many of them are men who possess no exclusive privileges, and some, who, contending for first principles at all hazards, nobly sacrifice self-interest at their shrine. To these a different answer is due: and I would tell them, in the first place, that every one of the first principles of political economy, and this amongst the rest, in particular circumstances, admit of exceptions; and that restrictions and prohibitions, which would be in the highest degree injudicious in the case of an infant community, may be indispensable to the interest and even existence of a nation, whose whole system is accompanied by such restrictions and prohibitions, and built upon a foundation altogether artificial. What should we say to the wisdom of the physician, who, to the urgent intreaties of a patient brought to the last stage of debility by drinking brandy, that he might still be allowed a portion, now essential to his existence, should reply, "my friend, it is one of the first principles of medicine that the habitual use of alcohol in every shape is injurious. You say that you shall expire if you are not allowed your dram. It may be so: but first principles must be adhered to at all events." Just what our opinion would be of such folly must it be of that adherence to abstract theory, which would prescribe, in the case of a branch of industry nursed to its present (if you will, unnatural,) precocity by stimuli of every kind, an instant and unmodified return to a plain and even meagre regimen.

But still these objectors refer to Adam Smith. Let us see, then, what are the real sentiments of this celebrated political economist, which will be found to be a little different from what is supposed by those who talk about his authority without having ever studied

his immortal work. They conceive him to be the advocate in every case of unrestrained commercial freedom. No such thing. On the contrary not only does he admit, that "it may be matter of deliberation how far and in what manner it may be proper to restore the free importation of foreign goods *after it has been for some time interrupted* — when particular manufactures, by means of high duties or prohibitions, have been so far extended as to employ a great multitude of hands; and that humanity in this case requires that the freedom of trade should be restored only by slow gradations, and with a good deal of reserve and circumspection\*," (and if in the case of a manufacture, surely in that of agriculture whose present height has been solely owing to an interrupted foreign supply, and which employs not thousands but *millions* of hands :) but he expressly lays down that "*when a tax is laid at home upon any produce of domestic industry, it is reasonable that an equal tax should be imposed upon the like produce of foreign industry, thus leaving the competition between foreign and domestic industry after the tax, as nearly as possible, upon the same footing as before it.*" † Can it be necessary to point out how precisely this exception applies to the state of British agriculture, which is loaded with taxes direct and indirect, from which its foreign rivals are wholly free? And, in fact, it must be abundantly obvious to any one who adverts to the constant preference which Dr. Smith gives to agriculture before every other branch of industry, and who attends to the *spirit* of his observations on the free importation of grain ‡, that if he could have contemplated a state of things, such as we witness, when corn is imported as readily as the least bulky manufactures, and instead of the importation being only annually 23,728 quarters of all kinds of grain as it was in his time, it has been often for the last six months twice as much weekly, and at a time too when

\* Wealth of Nations, Edit 1805, vol. ii. p. 261.

† Ibid. p. 255.

‡ Ibid. p. 250, &c.



our produce is sufficient for our supply — instead of stating that “our farmers can have nothing to fear from the freest importation,” he would have admitted that they might have woful cause of apprehension from it, and would have most earnestly deprecated it.

Let us, however, grant for a moment, that this so vaunted first principle of political economy admits of no exceptions — what does it amount to ! Simply that the freest importation must be most productive of national riches. And are *riches* then the one thing needful to a nation? and is there not something of still greater value, to wit, INDEPENDENCE and SECURITY? and may not this first principle be as destructive to the latter as favourable to the former? Let us again consult Adam Smith and see what he says. Why, that though “the Navigation Act is not favourable to foreign commerce, nor to the growth of that opulence which can arise from it, yet inasmuch as DEFENCE IS OF MORE IMPORTANCE THAN OPULENCE, *this act is perhaps the wisest of all the commercial regulations of England.*”\* And is it only of importance, then, that we should defend ourselves from the attacks which our enemies might make upon us with the sword, and a matter of indifference whether they may be able to wield against us the infinitely more dreadful and efficacious weapon of famine? This question, twenty years ago would have seemed absurd ; but is it so after the experience which we have gained — after we have seen the whole Continent shut against us, and America suffering her corn to rot, rather than sell us a grain of it ; and after we have witnessed a season of such dependence upon our own resources (1812) that in many districts just before harvest, a bushel of wheat could scarcely be met with at any price, and famine must have been our lot if the preceding crop had been materially deficient?

But it will be said, a similar state of things can

\* Wealth of Nations, Edit. 1805, vol ii. p. 255.

never occur again. Alas! he must be a shallow politician who, uninstructed by the past, does not see that if we are ever again rendered dependent upon foreigners, (which, that we are not now, it has been most incontrovertibly proved, is solely owing to the high price of grain and consequent improvement of our agriculture,) nothing is more probable than that in any future quarrels with them, the new weapon which Buonaparte has taught them the use of, will be the very first of which they will avail themselves; and one of mightier efficacy far than British rockets, or American torpedoes. Are the powers of Europe all so well satisfied with themselves and with each other that no future differences can arise? Have we so fully convinced them of our disinterestedness and of the necessity of our naval superiority for their advantage, that no northern coalition can ever again spring up? And have the Americans been so humbled into love for us that we can rest secure of their never again entrusting their government to a Madison? It is only requisite to state these questions. If an answer by the remotest possibility can be given in the negative, the deplorable folly of not providing against such contingencies — of not preferring security to riches — must be manifest.

#### OBJECTION SECOND.

When pressed by the argument that it is surely equitable that the farmer should be protected from unfair foreign rivalry, as well as the manufacturer, the opponents of the Corn Bill usually rejoin, that food is on a different footing from manufactures, and that humanity calls out so loudly for bread, the staff of life of the middling and poorer classes, being cheap, that to this consideration every thing should yield.

No one, I may venture to say, is more the friend of these classes than I am; no one could repel,

with greater indignation, any project for increasing the national wealth, or that of the higher classes of the community, at their expense; and if any one will convince me that the present cheapness of corn can coexist with the high wages which accompanied its former dearness, I will at once admit that the interest of the comparatively small class of farmers and land-owners should be sacrificed to that of the numerous body of labourers. Never, where the interest of the rich and poor are at variance, shall I be found contending that the latter, as being the greater body, ought not to have the preference. It is perfectly natural, that the poor should be alarmed at any measure which they are told will enhance the price of that bread they have so seldom known cheap, and I blame not *them* for petitioning against a Corn Bill. But what shall be said of the information of the public orators and writers, who would persuade them of the compatibility of high wages and low-priced bread, when the slightest examination of our present circumstances is sufficient to prove that they are utterly incompatible?

I am not here going to contend, that the price of corn has any direct and immediate effect on the price of labour, for though, in fully cultivated countries like this, the one must influence the other eventually, the case of America, and the fact that during the last twenty years the rate of wages in our chief manufacturing towns has been often highest when corn was low, and *vice versa*, prove that the demand and supply have a much more speedy and striking effect, and may often, for a time, counteract that arising from the price of corn. But in the present instance, the *indirect* influence of the low price of corn, which puts it out of the farmer's power to employ the best of his labourers, except at greatly reduced wages, and obliges him wholly to discharge all inferior hands, must immediately, as far as respects the agricultural class, and very speedily

as regards the manufacturing classes, depress their condition much more than the cheapness of the price of corn can improve it.

If this be doubted — if any one hesitate to believe that the effect has even already taken place, let him ask the ploughmen, who can now but obtain 16*l.* per annum where they formerly got 20*l.*\*, whether the reduction in the price of bread has compensated *them* for this reduction of wages? — Let him ask the thousands of farming labourers, who received their 15*s.* and 18*s.* a week, and could get employment when they asked for it, of whom some now think themselves fortunate if they can procure work at one-fourth less, while the rest are thrown upon the parish from absolute inability to find employment at any rate: whether the former have cause to rejoice at gaining a shilling on their weekly consumption of bread, while they are losing four by diminished wages; or the latter in the exchange of a scanty poor-house allowance for the full meal, which, notwithstanding the dearness of corn, their industry could lately secure to them? — and their answer will at once decide, that short as is the period which has elapsed since the change to cheapness, misery, and not prosperity, has been the consequence, as far as they are concerned.

Nor does the effect stop here. In all the inland market towns, of which the shops supply the surrounding country with groceries and manufactures, the complaint of a deplorably diminished consumption is universal. Professional men of my acquaintance, both in law and physic, have informed me that they find it impossible to get any money of those even who used to pay most readily. The sums for-

\* “ At the late Sittings or Statutes for hiring servants throughout the different parts of the country, the rate of wages was lowered nearly one-fourth, in consequence of the present prices of corn, and from the necessity for smaller farmers to become their own foremen, and for those of greater extent to perform their work with fewer servants. The wages of labourers were lowered in the same proportion.” *Leeds Paper, December, 1814.*

merly destined for new articles of dress or furniture are appropriated to the tax-gatherer, whose demands it is well if they are sufficient for, without having recourse to borrowing, or selling produce for half its cost; and tradesmen, who eight months since were foremost in petitioning against a Corn Bill, at length, too well convinced that a saving of a few pounds a year in flour is a wretched consolation for a daily declining consumption and bankrupt customers, would now be as urgent as their agricultural brethren for its adoption.

The evil has not yet reached the class of manufacturers enlivened by the opening of new sources of trade, and able just now to obtain as high wages as ever: but in the end it will infallibly extend to them also. Not to mention that they must soon be injured by the competition of dismissed agricultural labourers, driven to apply themselves to manufactures; if the present distress of this class be suffered to continue, their power of consuming manufactures must be diminished at least one half; and what would be the effect of withdrawing one half of the custom of a population of six millions, consuming, on the lowest computation, one hundred and twenty millions, may be easily conceived. America, though she were to purchase of us as largely as ever, would be a poor substitute for such a defalcation of home demand, the effects of which eventually, and in no long period, must ramify through every class of society.

#### OBJECTION THIRD.

When driven from the ground just traversed, the opponents of the Corn Bill shelter themselves under the pretence that all the evil is owing to *high rents*; and tell us, that if the land-owners chuse to reduce them, the farmer will have no reason to complain of present prices; a position so far from being true, that it may be demonstrated, that if the farmer paid

not *one sixpence* of rent, the present prices would be ruinous to him.

The farmer contends, that the very lowest price at which he can afford to sell his produce, is 80s. per quarter for wheat, and other grain in proportion. He has given the data upon which this assertion is founded; stated the items of rent, labour, &c., on which he builds his calculation, and challenged his opponents to prove their inaccuracy. No such attempt, even, has been made; and it may be therefore assumed, that his position is admitted to be unsailable. Now, at present he can obtain, in most markets, no more than 50s. per quarter for his best wheat; in those of this part of Yorkshire not so much: but to prevent the possibility of cavil, let us say, that he can get even sixty for that of average quality.\* Taking, then, the produce of an acre of

\* It may be said, perhaps, that the average which governs importation is yet sixty-five; but a moment's consideration will show, that this is no criterion whatever of the prices obtainable for wheat of *middling* quality, which is the great bulk of what the farmer has to offer for sale, and upon which, therefore, the calculation should be made: for the importation of such a large quantity of superior wheat from France, has literally rendered the middling and inferior kinds unsaleable, and consequently the average which governs importation has, for the last three or four mouths, been almost wholly built upon the sale of the superior kinds, and is, therefore, at least from 10s. to 15s. per quarter higher than what the farmer can obtain for the greater part of his wheat. This fact, which I have not seen noticed, proves, at the same time, that the present plan of fixing the average price which regulates importation, is essentially unjust and absurd, being built upon the assumption, that a fair proportion of grain of all qualities will be sold at market, whereas the fact is, that whenever, as was the case last harvest, a considerable proportion of the crop is mildewed, and of inferior quality, and at the same time a large importation of good wheat takes place, the inferior kinds become unsaleable, or saleable only at a price that naturally induces the farmer to keep them back to the very last; and thus the average of actual sales may be 65s., when the average, if no such importation had been made, would have been under 50s. That this has been of late the case I have no doubt, and that, according to the *meaning* and *intention* of the Act of 1804, importation ought to have ceased some months since.

But there is another circumstance in the present mode of fixing the average, and as operating, at all times, a more important one, pointed out to me by Sir Joseph Banks, in which it is still more irrational and unjust—that of including in the twelve districts, whose average prices govern importation, at least six which are not wheat-growing districts, and the consequent high prices of which are most unfairly set against those of Essex, Suffolk, Norfolk, Lincoln, and Northumberland, whence the great supply

wheat at only two and a half quarters, the farmer loses by every acre he cultivates the difference between two and a half times 60s. and 80s. or *fifty shillings*; and who that knows any thing of the real average rent of wheat-land throughout the kingdom, and that has not taken up his crude notions from the rate at which land has been let, in a few instances, near great towns, or to unthinking tenants, does not know that this is at the *very least 10s. per acre more than the amount of the rent*. It is therefore clear, beyond the possibility of contradiction, that, making every supposition of price, produce, rent, in favour of the opponents of the Corn Bill, the farmer *would, at the existing prices, lose 10s. per acre by every acre he cultivates, even if his landlord were to let him have his land for nothing.*

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is drawn. "I have before me," observes Sir Joseph, in a letter which I have had the honour of receiving from him since writing the preceding paragraph of this note, "at this moment two averages; the one taken from "six corn-growing counties, contrasted with one taken from Lancashire, "Cheshire, and four Welch counties, in which the average price of the "corn-growing counties is 57s. 8d. a quarter, while that of the consuming "counties is 73s. 4d. Thus is the very corn grown and sold for less than "it cost in Lincolnshire, brought forward in Lancashire, with all the "charges of carriage, profit, &c., for the purpose of determining the price "at which importation shall cease!" It is only necessary for any candid inquirer to look over the last Gazette list of averages (for the week ending 7th of January), and at the same time to calculate the proportion of wheat shipped by the different districts, as I have just done, from the account published by the Corn Committee of the House of Commons (Appendix, No. II.) to be convinced of the importance of this observation, and the truth of its inference. He will find that, while the average price of wheat in the seven last maritime districts, (including Cumberland, Westmoreland, Lancashire, Cheshire, the Welsh maritime counties, Gloucestershire, Somersetshire, Devonshire, Cornwall, Dorsetshire, and Hampshire,) from all which, in 1813, only 94,077 quarters were shipped, is 69s. 2d., that of the five first (comprising Essex, Kent, Sussex, Suffolk, Cambridgeshire, Norfolk, Lincolnshire, Yorkshire, Durham, and Northumberland), from which, in the same year, were shipped 464,526 quarters, or *five times* as much, is but 57s. 2d. or 12s. per quarter less!! It is very clear, therefore, as Sir Joseph Banks remarks, that a corn-bill, without a complete revisal of the present plan of regulating importation, will be no relief whatever to the farmer and land-owner, who may be mocked with a show of being secured 80s. a quarter, when the great mass are actually only receiving 68s. It cannot be too strongly impressed on the agricultural interest, that without they succeed in obtaining this revisal, *all their efforts are in vain.*

That a material reduction in the advanced rents which have of late been given, must and ought to take place, I have no disposition to deny; though I am far from thinking that the *average* rise of rents has been more than equivalent to the advance in all the articles of the land-owner's consumption, or that his income is actually (as to its power of commanding the services of others) greater than it was formerly. But it need not be apprehended that, at 80s. or 84s. per quarter for wheat, the highest price at which it is proposed to restrict the importation, the landholder could continue to receive his present rents. If greatly advanced, he must be prepared for a serious deduction, and for some diminution, probably, even from what he received twenty years ago; for it may be doubted, if, when all circumstances are taken into account, 80s. per quarter now will admit the farmer to pay as much as he did in 1795, when wheat was at 60s. And these deductions the British landholders, who, whatever some may say of them, have not lost the character which they, as well as our farmers, deserved in Dr. Smith's time, of "being, to their great honour, of all people the least subject to the wretched spirit of monopoly\*," will not repine at making. They do not object to bear their fair share of the losses arising from the convulsed state of Europe, which all ranks have in turn borne; all that they ask is to be protected from utter and irretrievable ruin.

#### OBJECTION FOURTH.

If any reduction of rent is inadequate to secure to the farmer his fair profits, still less can be expected from the diminution of *taxes*, and the fall in the price of *labour*, which some have held out as all that his case requires.

\* Wealth of Nations, vol. ii. p. 251



The property-tax will, it is to be hoped, cease at the period to which it was originally limited; and to a man absolutely without money, it will be some consolation not to be called upon for a tax which most unjustly levies on him a contribution for *profits* however heavy may have been his *losses*: but it is very obvious that the cessation of a tax which on the average does not exceed 2s. 6d. per acre, can be no effectual relief to men who are losing 50s. And as to other taxes, direct and indirect, which affect the farmer, how can there be the slightest prospect of their being taken off, when it is undeniable that the revenue of the country, even if all the present war taxes are continued, will be scarcely adequate to the expenses of a peace establishment? Indeed, were they every one removed, so long as the farmer is called upon to bear his share of the thirty-eight millions of taxes now levied to pay the interest of our enormous national debt, and of which two-thirds must continue to be levied, even if the sinking fund be abolished—it is in vain to expect that any probable diminution of taxation can place him on a par with the Polish nobleman, who could afford to grow corn for us if he got 2s. a quarter for it beyond the 30s. expense of conveying it to Dantzic, or with the French farmer, who has no national debt, or next to none, upon his shoulders.

With regard to the fall in the price of labour, it might be of some service, if the fact were not that what the farmer saves on the one hand, he loses on the other, by increased poor rates, already a heavy item in his expenses. If he pay less wages to those men whom he continues to employ, he is obliged to contribute to the support of others, that he or his neighbour has discharged and have come upon the parish. Nor is there the slightest prospect, considering the great body of disbanded soldiers who will be shortly turned upon the country, and that our manufactures are fully supplied with hands, that he will be relieved from this obligation which may soon

equal half his present rent, by any demand for labour from other quarters, until his ruin has been long consummated.

#### OBJECTION FIFTH.

The last argument against the Corn Bill which I shall notice, is that regarded by those who advance it as their sheet anchor—namely, That we are more a manufacturing than an agricultural nation; that our commerce, which is the source of our riches, must fatally decline, if our manufacturers, owing to the higher price of corn in this country than abroad, cannot obtain workmen at as low a rate as their foreign rivals; and that consequently the minor interests of agriculture should give way to the more important interests of commerce.

My opinions on the subject of foreign commerce are well known; and so far from having seen reason to alter them, I consider the experiment to have been made and fairly decided, that *Britain is independent of commerce*. If she were not, how was it that during the period when almost every avenue to it was closed, when our manufacturers depending upon it were in a state of universal distress; and when the gains of some classes of commercial men were admitted by themselves to be more than balanced by the ruinous losses of others—how was it that no material defalcation took place in any of our taxes, and the great index of national prosperity, the property tax, increased in productiveness? But I am not now about to take up the argument on my own peculiar ground, as I feel myself perfectly competent to engage with my opponents on their own; and therefore, in discussing this objection, I shall grant that foreign commerce *is* a source of wealth, and a very considerable one; and for a moment admit, that it is probable that the price of grain which the farmer contends for, would, in the way stated, shut us out from many foreign markets.

Admitting, then, for the sake of argument, that the interests of the commercial and of the agricultural classes are irreconcilably at variance, what is the course which wisdom dictates? Obviously, that inquiry should be made which class is the most numerous and essential, and that the interests of that which is proved to be *least* so, should yield to those that proved to be *most* so.

Let us, then, in the first place, inquire, which is the most *numerous* class, the agricultural or that part of the manufacturing which depends on foreign commerce; bearing in mind throughout, that the rest of our manufacturers, those who prepare articles for *home* consumption, are to be wholly left out of question, as it has never been contended that it is of any moment at what rate their wages are. Now it appears, from the census of 1811, that there were 895,998 families chiefly employed in agriculture, and 1,129,049 chiefly employed in trade, manufactures, and handicraft. The proportion of these dependent upon manufacturing articles for foreign commerce is estimated by Mr. Colquhoun, who is disposed to give as high importance to this branch of industry as its warmest admirers can desire, at 406,350 *individuals* \*, or (reckoning only four individuals to a family) 101,587 families—that is, at less than *one-eighth* of the agricultural population. But taking another calculation, given in the *Quarterly Review*, which will be found farther on, let us admit the manufacturers employed on articles of foreign export to be one-fifth of the whole, which is certainly above the truth; yet still the agricultural class is *four* times as numerous, and it will hardly, one would think, be contended that the interest of 225,809 families should be preferred to that of 895,998.

“But the wealth that the sale of these manufactures brings in, is what we maintain they are so important for,” cry our opponents. Well then, let us

\* On the Resources, &c. of the British Empire, p. 72.

dig into the richest of mines, and see how far the intrinsic value of the ore corresponds with its glittering exterior.

The amount of our exported manufactures, estimated at their real value, does not, on the average, exceed forty-five millions, but we will say fifty. A man need not be an adept in political economy to perceive that this whole sum is not *profit*; nor will any one, at all acquainted with the actual profits of manufacturing concerns, contend that those of all engaged in preparing this amount of exported articles, are likely to exceed fifteen per cent.; but to do away the possibility of objection, let us call them twenty-five per cent.—surely a sufficient allowance. Great-Britain, then, gains by her exported manufactures, 12,500,000*l.* annually.—In the next place, what does she gain by her agriculture?

When the income-tax was laid on in 1798, Mr. Pitt estimated the rental of land at twenty-five millions, and the income derived from tythes (which is as much the produce of land as rent) at five millions, together thirty millions. This, it is well known, was as greatly below, as his estimate of the profits from trade was above the truth; but to shut every door to cavil, let us adopt this as the ground of our calculation.—It will not be denied that since 1798 rents have doubled: but, that we may be within the mark, we will take them at only fifty millions—an amount much less than the fact. Now it is notorious, that the farmer's profits ought to equal (and did so before his present distress) three-fourths of his rental, upon which ratio he is assessed to the property-tax. It is clear, therefore—without taking into account that the rent and farmer's profits are only *two-fifths* of the gross produce of the land, the whole of which is a new creation of wealth; and without adverting to the profits of the wheelwright, blacksmith, saddler, &c. employed by the farmer, who draw their subsistence from the

remaining three-fifths — that we derive a net revenue of upwards of EIGHTY-SEVEN MILLIONS from our land, or *seven* times as much as we gain by our exported manufactures.

Away, then, with that senseless folly, which, shutting its eyes on the plainest rules of arithmetic, contends that a branch of trade which, at the highest estimate, does not produce thirteen millions, is of more importance than one, which, at the lowest, produces eighty-seven! Richly would that man deserve to be laughed at, who, possessing an estate of eighty-seven thousand a-year, should consider it as of less value than an, in comparison, paltry mercantile concern, that brought him in thirteen; and who, if there arose a question as to sacrificing one, should hesitate which that must be. And well do we deserve, for ever bawling out in the ears of the world, both in parliament and out of it, *our trade! our dear trade!! our invaluable trade!!!* and never considering our agriculture as worthy of mention; richly do we deserve that our Continental neighbours should take us at our word, and believe us incapable of any generous or disinterested exertion, and that even our mighty achievements in behalf of their independence, nay, even our pleadings for Africa herself have been dictated by that cold calculating attention to self, which alone can be looked for from a people who seem to glory in avowing themselves what their arch foe nick-named them, a nation of shop-keepers! Lamentable, indeed, is it to contrast the suspicions and insinuations which are thrown out against our motives in every part of Europe, with the commanding aspect with which, having finished our work, we might now have looked around us, had we, instead of ridiculously pluming ourselves upon our commerce, and attributing all our wealth and power to it, regarded it and proclaimed it, as what it is, a simple auxiliary to our greatness, and taken our station as what we really are, the first agricultural, and *therefore* the richest and most powerful nation in Europe. Nor is

this reproach deserved by our mercantile class only. The agricultural class come in for their full share of it. For seldom or never, I am sorry to say, have they manfully come forward to resist the pretensions and encroachments of their mercantile and manufacturing brethren, or asserted their just claim to be regarded as the first, the most essential, the most honourable class in society. Dear-bought experience has at length taught them wisdom, and they will not in future believe the professions of their benefit being always in the view of the regulations called for by manufacturers, who, while the importation of *one hundred and fifty* of their articles is absolutely prohibited by Special Statutes\*, have the modesty to exclaim against the equitable protection from foreign rivalry (not monopoly like theirs) which the farmer requests.

Let me not be misunderstood — but for the twentieth time in speaking of the relative importance of agriculture and commerce, protest against being deemed, as I am perversely by many, an enemy to the latter. I was educated to it; I know and admit its value and utility: and so far from wishing its decrease, no man is more desirous of seeing its legitimate extension, or has a higher respect for the general character of a British merchant. Let our flag cover every sea, and our manufactures insinuate themselves into every creek of the four quarters of the globe, carrying along with them civilization and improvement, and I shall look on and rejoice. But because a thing is good in its proper place, and as an auxiliary, am I therefore to shut my eyes to fact and common sense, and declare that it is the *chief* good — that the minority is more numerous than the majority, and a part greater than the whole? This I certainly will not do; but so often as any public topic as at present calls off my attention from pursuits more attractive

\* See the list of these articles in Appendix to the Report of the Lord's Committee.

to me than political economy, never will I relax in my endeavours to awaken my countrymen to a proper sense of their dignity and independence, and the real source of their greatness. I have the gratification of knowing that my former efforts with this view have not been in vain; and having seen the county of Wigton in their address to the Prince Regent \*, admitting that “foreign trade is *not essential* to the positive prosperity of a state already skilled in the arts of agriculture and manufactures;” and even the manufacturers of Sheffield giving credit to commerce and manufactures as having contributed to the prosperity of the kingdom *only*, “as giving great *encouragement to its agriculture, and stimulating*, in various other modes, “the productive energy and inventive ingenuity of its population†,” — sentiments which eight years since, might have been looked for in vain in any public addresses; — I shall most assuredly not despair of witnessing just ideas on these subjects, in the end, more prevalent than at present.

But though a reference to the Rule of Three thus speedily decides the relative value of agriculture and foreign commerce, I am prepared to hear it objected that the question is not thus to be determined by the calculations of a prejudiced advocate, insensible to the vast importance of a source of wealth, which political economists of so much greater eminence have estimated so highly: and as I am well aware of the slenderness of my authority, I shall endeavour to satisfy this very reasonable scrupulosity, by referring to some of these authors of greater weight, and who, as they cannot be suspected of the prejudice which clouds my faculties, will, I trust, be allowed to pronounce a final judgment.

And first, then, let us refer to a respectable adversary of mine, who took up his pen expressly to

\* Courier Newspaper, July 11th, 1811.

† Resolutions of the Sheffield Meeting, 6th April, 1812, for petitioning Parliament to lay open the East India trade.

defend commerce from my misrepresentations. What, then, says Mr. Mill, in his "Commerce defended?" "Commerce," he observes, (p. 115.) "is a very good thing when it comes spontaneously, but a thing which may very easily be bought too dear. The two main springs of national wealth and prosperity are the cultivation of the land, and manufactures for home employment and consumption. Foreign commerce is a mere auxiliary to these two." And he farther proceeds to admit, "That to this hour the sound inquirer has most frequently occasion for his efforts in exposing the errors into which both governments and individuals fall by the remaining influence of the mercantile theory;" that "the firm hold which this doctrine yet maintains on the minds of men, forms the principal obstacle to the diffusion among mankind of juster principles of political economy and of government:" (p. 14.) that "the importance of commerce is in general greatly over-rated;" (p. 106.) that "when we hear people talk, as we too often hear them, and in places too high, of commerce as the cause of our national grandeur; when we find it appealed to as the measure of our prosperity; and our exports and our imports quoted as undeniable proofs that the country has flourished under the draining of the most expensive war that ever nation waged on the face of the earth, we have reason to smile at the ignorance or the deceitfulness of the speaker;" (p. 107.) that "it is but too true that the greater number of persons with whom we converse, seem to imagine that commerce creates wealth by a sort of witchcraft;" (p. 108.) and, lastly, that "the fee-simple of our whole export commerce is not worth the expense of the last fifteen years' war, and that if it had been all sacrificed to the last sixpence, to save us from that expense, we should have been gainers by the bargain." (p. 108.)

This is pretty well, methinks, for a commercial advocate. Next let us consult Mr. Colquhoun, who,



whatever may be thought of the accuracy of his calculations, cannot be accused of any tendency to undervalue commerce, or to rate agriculture too high. Yet this gentleman, in his late publication, tells us, not only that the value of our agricultural wealth of every kind, is *fifteen hundred* millions, while that of our manufacturing and commercial wealth (even including mines and canals) is but *four hundred* millions\* ; but that in 1812-13 the new property created by agriculture was 216,817,624*l.*, while that created by foreign commerce and shipping, was 46,373,784*l.*, that is a little more than *one-fifth* as much! †

If a foreigner were to inquire where he was to look for the opinions of the most eminent of our living political economists, he would doubtless be referred to the three quarterly publications called *Reviews*, but in reality collections of essays or treatises on the interesting questions of the day, in which, under mask, our ablest writers on different sides, more effectually and extensively lead the taste and opinions of the public, than they could do by detached publications in their own persons. What sentence then do these arbiters pronounce on the point at issue? and let us begin with the oldest.

“The commerce and manufactures of this island,” say the *Edinburgh Reviewers*, “conceal in some measure its agricultural grandeur; of which we may not perhaps obtain a full view, unless this splendid superstructure of our present prosperity, mouldering away from the fragility of the materials, or shattered by external violence, shall expose the strength and extent of the base on which it rested.” ‡

“But who would pin his faith on the authority of such Jacobins?” I hear a reader exclaim. Well then, my friend, turn to their opponents the *Quarterly Reviewers*, whose loyalty you will scarcely impeach, and see what *they* think as to the import-

\* Page 55.

† Page 65.

‡ Vol. v. p. 204.

ance of commerce. "In seeking," say they, "a  
 " criterion of our internal trade, an estimate of the  
 " sum annually expended in Great Britain will not  
 " be useless. Estimating the expense of each indi-  
 " vidual at only twenty pounds annually, and rating  
 " the population at twelve millions, the expenditure  
 " of all the inhabitants will be 240 millions sterling.  
 " Our domestic customers, therefore, purchasing to  
 " the amount of 240 millions, and our foreign cus-  
 " tomers 45 millions, is proof that external com-  
 " merce, however important, adds no more than a  
 " *fifth* or a *sixth* part to our commercial prosperity;  
 " and the greater portion of this is carried to our  
 " own foreign possessions and to Ireland, leaving  
 " ONE-ELEVENTH part of our commercial prosperity  
 " to be derived from customers over whom we have  
 " no controul." \*

And if some one, still more difficult to please, de-  
 mands the testimony of writers even more decidedly  
 devoted to the measures of Government, I need only  
 refer him to the *British Review*, where he will find  
 the following conclusive passage:—"The ability to  
 " advance such great sums for the use of the public,  
 " and on the credit of the funding system, depends  
 " most materially on an actual concurrent increase  
 " of the real wealth of the country, and without  
 " such an increase, would be difficult, if not impos-  
 " sible. But the rapid progress of Britain in that  
 " respect, though without doubt assisted by foreign  
 " trade, has arisen *much more* from the great in-  
 " crease of population, and of DOMESTIC IMPROVE-  
 " MENTS, than from any causes over which foreign  
 " power can exercise a controul." †

Amongst the political economists of the present  
 day, none have procured for themselves a greater  
 name than MR. MALTHUS; and though many, like  
 myself, may doubt the expediency of some of his  
 deductions, few will dispute his authority on the point

\* Vol. v. p. 411.

† Vol. v. p. 16.

we are considering. What then are his opinions respecting it? That “in the history of the world, the nations whose wealth has been derived principally from manufactures and commerce, have been perfectly ephemeral beings compared with those, the basis of whose wealth is agriculture;”—that “it is in the nature of things that a state which subsists upon a revenue furnished by other countries, must be infinitely more exposed to all the accidents of time and chance than one which produces its own.”—And he goes on to say:—“No error is more frequent than that of mistaking effects for causes. We are so blinded by the showiness of commerce and manufactures, as to believe that they are almost the sole cause of the wealth, power, and prosperity of England. But perhaps they may be more justly considered as the *consequences* than the cause of this wealth.”\*

And, lastly, not to weary the reader with citations, let us finish with referring to that great luminary in political economy, who has shed radiant light upon its darkest recesses, and to whose judgment implicit deference is due from those who are so ready to quote him when it suits their purpose—ADAM SMITH. “The Capital,” says he, “employed in agriculture, not only puts into motion a greater quantity of productive labour than any equal capital employed in manufactures; but in proportion, too, to the quantity of productive labour which it employs, it adds a much greater value to the annual produce of the land and labour of the country, to the real wealth and revenue of its inhabitants. *Of all the ways in which a capital can be employed, it is by far the most advantageous to the society.*”† Again: “After agriculture, the capital employed in manufactures puts into motion the greatest quantity of productive labour, and adds the greatest

\* Essay on Population, 4to. edit. p. 435.

† Wealth of Nations, vol. ii. p. 129.

“value to the annual produce. That which is employed in the trade of *exportation*, has the *least* effect of any of the three.”\* And once more;—speaking of the security of our farmers in their leases, he adds, “Those laws and customs, so favourable to their yeomanry, have, perhaps, contributed more to the present grandeur of England, than *all their boasted regulations of commerce taken together.*”†

It will now be admitted, I flatter myself, that I am not *single* in my opinions as to the preference due to agriculture over commerce; and I put on record these quotations, that any reader, who honours me with his attention, henceforward, when he hears it asserted in or out of Parliament, that we are more a commercial than an agricultural nation—that our commerce is the main source of our wealth—and that the interest of our manufacturers is of more importance than that of our farmers—may estimate such wretched nonsense as it deserves, and may know and be able to prove to those who deny it, that they who make such assertions, are setting themselves in opposition both to the arithmetical fact, that seven are greater than one, and to the authority of the most eminent political economists of every party.

That I might meet the adversaries of the Corn Bill on their own ground, I have admitted that it *may* have the effect of injuring our export of manufactures; and I have myself in former publications contended, that the high prices which our corn once bore, and which it seemed likely the war, then apparently interminable, would go on to increase, must ultimately drive us out of the foreign market. But the case becomes very different, now that we are at peace with all the world, and when the price which the farmer demands is so materially below that exorbitancy with which we were at one time threatened:

\* Wealth of Nations, vol. ii. p. 132.

† Ibid. 164.

and it may be safely denied, that a steady price of 80s. or 84s. per quarter for wheat, can raise the rate of manufacturing labour, so as to force us to yield to our Continental rivals. For many years to come, we must maintain a vast superiority over them in point of capital; and it does not admit of dispute, that a country which abounds in capital can afford to trade on much lower profits than one where it is almost all to be created. On this head, what says Adam Smith? "Our merchants and master-manufacturers complain much of the bad effects of high wages, in raising the price, and thereby lessening the sale of their goods both at home and abroad: they say nothing concerning the bad effects of high profits: they are silent with regard to the pernicious effects of their own gains: they complain only of those of other people."\* If our master-manufacturers will be content with somewhat smaller profits, they need not fear losing custom from allowing their workmen to pay a fair price for corn. In fact, supposing our foreign rivals to keep pace with us in improved machinery, our advantage, in point of cheap fuel for our steam-engines, is more than sufficient to counterbalance any probable difference in the rate of wages; and therefore, though the interest of manufactures ought to yield to that of agriculture, if they were in opposition, the truth is, that they are *not*, and that the former have nothing to apprehend. Who, indeed, that contemplates the insatiable desire of the people of Britain to obtain foreign commodities, and knows that commerce is but barter, and that those of whom we purchase must buy in return of us, or we can never pay them for their articles, can believe that an advance of 20s. per quarter in wheat is to have any effect in lessening our trade? the supposition is preposterous.

\* Wealth of Nations, vol. i. p. 135.

HAVING now, I think, satisfactorily answered the objections which have been urged against the Corn Bill, I shall conclude my observations by pointing out the consequences of suffering things to remain as they are, and adverting particularly to one or two considerations which have not received the attention which in my opinion they demand.

These consequences may be considered as they respect the tenants — the land-owners — the manufacturing class — and the nation collectively.

As to the tenants, it is clear that all those who have taken leases within these fix or six years, some of the most intelligent and most spirited of their class, must, except when released from their engagements by the generosity of their landlords, be utterly and irretrievably ruined. All those who have leases on more moderate terms, after great sacrifices of capital, will endeavour to lessen their losses by laying down their land to pasture, as far as practicable; and all occupiers from year to year, seeing that their hopes of a change for the better, which have hitherto sustained them under their misfortunes, defeated, will necessarily give up their farms, and either betake themselves to other occupations, or live upon the interest of the remnant of their capital, until the folly of the measures which have driven them from agriculture has been felt and repaired, and it once more affords a living profit. A few, on farms of which a considerable portion is in grass, may be induced by a large reduction of rent, sufficient to compensate by the profit from stock for the loss by corn, to try the effect of laying down the whole to pasture; but in many cases this will be impossible; and thousands and tens of thousands of acres of cold clay, wold, sandy, and heathy land, reclaimed and improved at great expense, must be suffered, unoccupied, and affording not a sixpence of rent, to revert to their native gorse, heath, and weeds.

Nor will those whose land being of a superior quality, admits of being converted into pasture with a greater prospect of advantage, in the end fare better. The new demand for stock to occupy this land, will at first enhance its price to the purchasers, ill able to afford any advance, while in a few years the glut which will infallibly follow, will make it fall proportionably as low as corn, and the whole farming class will be involved in one scene of wretchedness.

In the mean time, such of the landlords as have lived upon the rent of small estates, must diminish in every shape their already moderate expenditure, and, in instances without end, endure the most bitter suffering; while all men of larger landed income must lay down their equipages, give up their town-houses, turn off their retinue, and, by a general curtailment of luxuries, reduce their expenses within their now contracted means.

If this diminution of expenditure on the part of the land-proprietors were all that followed, some of those who have looked at their gross receipts only, and forgot that their expenses have been in proportion, and that not one in twenty has laid by any thing, would say that no great harm was done. But *will it be all?* Will the evil stop here? Will it be the same thing to the coachmaker, and all that he employed — to the tradesman in town, who depended on a winter's demand from the land-proprietors for his sale; to the master-manufacturers who supplied *him*, and the workmen to whom *they* gave employment — in short to the hundreds of thousands to whom the effects would descend in endless ramifications, — whether or not the land-owners continue to be able to consume? But it is not only a great proportion of the demand from this class, that the manufacturing class would lose, but from the still more numerous class of farmers and farming labourers, who must content themselves with wooden clogs where they wore shoes — a new coat and hat once in every two years, instead of annually — and cloth of five

shillings a yard, where they used to give ten. In fine, if we are to be told that losing a portion of their foreign demand may be injurious to our manufacturers, can it be necessary to point out the result of losing a greater portion of their home demand, which, from the agricultural class alone is, at the very least, four times as great as the foreign?

Thus misery will rapidly spread itself through every branch of society, and even those who think themselves most secure, will soon be called upon to bear their share of suffering.

But after all, do we obtain the great object of all these sacrifices — the permanent and steady cheapness of corn? So far from it, that it is susceptible of almost mathematical demonstration, that if the present system continue, before three years are expired, we shall have wheat again at 6*l.* the quarter. It has been proved, that no possible diminution of rent or taxes could enable the farmer to grow his produce with profit at the present rate, and it is undeniable that no man will continue longer than he can help to bring articles to market at a loss. It is obvious, then, that instead of growing, as we now do, sufficient for our own consumption, we shall soon, as formerly, be dependent on foreigners for a considerable proportion of our supply; and with this dependence will come its old concomitants, high and unsteady prices. How can it, in the nature of things, be otherwise? Supposing our consumption twelve millions of quarters of wheat, and that we get annually only one million from abroad, is it not self-evident, that the price must get up enormously, whenever the harvest, either abroad or at home, is below an average crop; it being known to every man, that a small deficiency in the supply of food, unlike the case of articles that can be dispensed with, enhances the price in a highly disproportionate ratio? And who is ignorant that once in every three or four years, a crop below the average may be texepe?



Let us even grant, that by dividing our custom between America and Europe, our risk of high price, from a deficient foreign supply, may be somewhat obviated; it must be borne in mind that until our foreign supply is greater than our home produce, this would be no security from a deficiency in the latter. Foreigners will only provide for our *ordinary* demand, and any extraordinary one must exorbitantly increase the price which we pay them.

Nay, going still further, and supposing us converted, as some have contended would be for our interest, into a manufacturing nation, procuring the *greater* part of our supply of corn from abroad, it is evident, without adverting to the possibility of this dependence being hostilely turned against us, (which having before referred to, I now leave out of question) that we should have no security against high prices. We should necessarily be confined to one or two great markets, and it would require no stretch of sagacity in those from whom we purchased, to see that being dependent on them for an indispensable article, they might as well make us contribute to their finances by imposing a tax on the exportation; which tax would plainly have no limit but the apprehension of driving us to other sources of supply, and as these could not at once be obtained, the imposition of a heavy duty one year, and taking it off again the next, would be a very happy expedient, by which the Grimalkins with whom we dealt, might alternately favour their unhappy victim with a gripe or a pat, as suited their interest or amusement. Nor is this mere supposition. The duty on wheat has been considerably increased in Prussia, when our necessities have been most pressing; and the immense revenue which Buonaparte drew from the wheat with which he licensed his merchants to furnish us, is notorious. This supply from him has been referred to, as a proof that we need never fear being cut off from our foreign consumption by any hostile power. But why did Buona-

parte let us have wheat? Simply because money was just then of more value to him than our starvation.

It will scarcely be objected, that if this supposed advance in price takes place, the farmer's losses will be only temporary, and need not therefore be provided against; as it is palpable that before the advance he will be ruined; that when it comes he will be in no situation to avail himself of any immediate benefit from it; and that before his endeavours to do so are matured, the price may be at its old rate again.

Such will be the effects of being dependent for our supply of grain. On the other hand, if by holding out to our farmers the protection which they are so justly entitled to, we enable them to maintain that extensive and spirited system of cultivation, to which high price alone has given birth; and thus produce, as they do at present, grain enough for our consumption, allowing at the same time the freest exportation of any surplus, we shall be effectually exempted, not merely from the possibility of famine, but from any exorbitant price in the event of deficient harvests. Grain will remain at a steady rate; and the prosperity of the agricultural class will diffuse itself through the rest, giving them what is much better than low-priced bread, and wages inadequate to buy it, a brisk, permanent, and increasing demand, independent of casualty and foreign caprice; and securing to them an income amply enabling them both to afford the moderate advance on the price of bread, which the interest of the whole demands, and to enjoy that portion of comforts and luxuries, to which they have so well-founded a claim, and which no one is more sincerely desirous of seeing augmented than I am.

There yet remain two considerations of great importance connected with the present question.

Within the last twenty years the government of this country has expended, including the sums raised

on loan, and the total amount of the annual taxes, *twelve hundred millions* \*, or on the average sixty millions per annum.† Whence has this incredible sum been drawn? From what inexhaustible source has this little nook of Europe derived a revenue more than half as great, probably, as that of the whole Continent; and how is it, that after such a tremendous expenditure, we are still in the enjoyment of greater wealth and prosperity than any of our neighbours? Nine persons out of ten will tell you that we owe it all to our commerce and manufactures. But let us apply to this assertion a familiar process, which we have before found very useful in putting such gratuitous allegations to the test.

The whole amount of our commerce strictly foreign, including imports as well as exports, has never exceeded one hundred millions annually; and I appeal to any merchant if the average profits upon this amount can be taken even so high as ten per cent.; but as I can afford to make almost any admissions, let us say fifteen. Our importing and exporting merchants and manufacturers, then, gain an annual revenue of fifteen millions from our commerce. The question next is, what portion of this is paid by

\* The amount, previously to being funded, of the loans from 1794 to 1814, is 406,300,000*l.* I average the revenue for the first ten years at eighteen millions, and for the last ten, at sixty millions.

† They who regard the sums borrowed by government, only as so much capital converted into income, will demur as to the propriety of putting these in the same class with the sums annually raised by taxes. It is impossible here to enter into the discussion which a full explanation of my opinions on this subject would require. I must content myself with asking, whether by far the greater part of the amount of the loans is not laid out by government in the annual consumable produce of the country, required for the support of our fleets and armies? — and whether it could be denied that they formed a portion of this consumable produce, if requisitions of the food, clothing, &c. in which these loans are expended, were made in the first instance, and the value put upon those supplies in kind, were erected into stock bearing interest, in the same manner as the loans of money now borrowed? Yet it is clear that the intervention of a money payment makes no difference whatever in the result. In fact, a government can never continue to go on borrowing, if its loans much exceed the disposable surplus produce of the country; and the sole reason that ours have been raised with such facility, has been, that they have stopped short of this produce.

them to the state? I do not mean in custom-house and excise duties, which no one is now absurd enough to deny, are paid, not by the merchants, but by the consumers of the articles on which they are imposed, but in direct and indirect taxation upon their revenue; and if we say that one-third is thus advanced, surely we shall have made an allowance sufficiently ample. Five millions, then, is all that the state can derive from our "*unrivalled commerce, that great and inexhaustible source of all our wealth.*"

In the next place, taking the annual sales of our home manufactures at the proportion before laid down, namely, five times as much as we export, or two hundred and fifty millions, and estimating the profits as before (37,500,000*l.*), and government as before, to get one-third of the amount, it is obvious that 12,500,000*l.* is all that can be drawn from home manufactures.

Seventeen millions and a half, then, is the utmost that can be supposed in the most favourable circumstances, to be contributed to the state by commerce and manufactures of every kind. Whence, then, I ask, have the remaining FORTY-TWO millions been derived; and whence can they have been derived, but from the only remaining branch of our industry, our Agriculture?

But it will be said, "other nations possess an agriculture as extensive as ours, and yet are poor; how then can ours perform such miracles?" From this simple difference, and this is *the sole secret of our wealth*, that while *three-fourths* of their inhabitants are employed in raising subsistence for the whole, *one-third* of ours, owing to our improved agriculture, raises all the food which our population consumes, and consequently our *surplus* produce\* is infinitely greater, and can be appropriated to the use of government, which, possessed of this engine, can command wealth and services of every description.

\* See Appendix.

That this is the only explanation adequate to solve the problem will be evident from a little reflection to any man accustomed to look below the surface of things. Take, for example, the case of a nation which had adopted an Agrarian law, and where every man cultivated his two or three acres of land, and supported his family upon the produce, carrying to market only a few poultry, and eggs, to procure such articles as were not manufactured at home. Is it not clear that however favourable this system might be to happiness, the government could never derive any considerable revenue from such a population? Suppose, on the other hand, another nation of only equal population, in which machinery was applied to agricultural improvements, even more extensively than we have found practicable, and where in consequence the labour of one man was sufficient to raise food for one hundred: is it not equally obvious that the government of such a nation might appropriate to itself nearly the whole of the surplus produce of the soil, and thus command the services of the remainder of the population, which it could set to build its fleets, to clothe and equip its armies, and to perform all the functions which the service of the state requires? And this is precisely the difference between the agricultural system of the continent and ours; and though the disproportion is not so great as in the instances supposed, it is quite sufficient to account for our immensely superior revenue, and the facility with which we raise it. The intervention of money in our case makes the operation obscure to ordinary observers; but it will surely not be contended that a government which had the dispensing of the food of four millions of people, (which is what ours virtually has), could not do every thing that ours is competent to. So long as food is the first necessary of existence, they who can command food, can command every other kind of wealth.\*

\* If any of my readers are desirous of seeing a fuller illustration of this important doctrine, and that which necessarily flows from it—the

Indeed the truth of this theory is amply confirmed by facts: for in proportion as our agricultural surplus produce has increased, so has our power of expending larger sums of money, though at the very time when our commercial profits, estimated not by fallacious calculations of the value of our exports when shipped, but by the sums *received* for them, are well known to have been worse than nothing. Thus from 1794 to 1804, we raised with difficulty a revenue of eighteen millions; from 1804 to 1814, we have raised with at least as little difficulty, sixty millions. Is it possible for facts to speak more strongly?

If then our enormous revenue have arisen from our improved agriculture; and if there be a possibility that in no long time we may be called upon again to make exertions as mighty as those from which we are just breathing, would it be any thing short of madness to suffer the continuance of a state of things which must withdraw from our agriculture that capital, enterprize, and intellect, to which the vast increase of its surplus produce, and our consequent efforts within the last ten years, are owing; and is it not something worse than folly that at the very same time we are doing all in our power to transfer this superiority to the agriculture, and consequently power of our rivals? Incredible will it seem to posterity, that at the moment when even the Dutch were congratulating themselves on seeing their "*humiliating dependence* upon other nations for food, "*utterly abolished\**," we were with one voice almost, after having with unexampled efforts achieved our

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truth of which Dr. Smith has himself indirectly admitted — that all taxes, however levied, are in the end drawn from the soil, I must refer them to "*Agriculture the Source of the Wealth of Britain*," where it is treated of at large.

\* "The inhabitants of the Netherlands may now hope to see what their forefathers could never have imagined—namely, The supply of all their necessary wants from their own territory, and their humiliating dependence upon other nations utterly abolished."—*Report of the Secretary of State for the Home Department concerning the Situation of the Country, addressed to the States-General, 30th Nov. 1814.*

liberation from such dependence, crying out to be again plunged into it!

The remaining consideration to which I alluded, and which, as more immediately coming home to our business and bosoms, is, if possible, of greater moment, is the effect which the general lowness of the price of grain, and ultimately of all other articles, will have upon our taxation. It must be needless, after the experience which we have gone through, to waste many words in proving, that a man is rich, not according to his nominal income, but to the power which it confers upon him of purchasing a greater or less quantity of those things which he is desirous of possessing. Twelve months ago it was in every one's mouth that two pounds would go no farther than one would have done twenty years before, and that a man with a thousand a-year was no richer than one with five hundred formerly. Indeed the constant cry of those who contend for an unrestrained importation of corn, is, that though the land-proprietors might feel a momentary pressure, all other things will soon come down in proportion, and then they will upon half their present rents, be in reality as rich as ever.

Nor will it be disputed, I imagine, that the converse of this proposition holds good—that a land-proprietor or manufacturer, for instance, who, during the time of high prices was in the receipt of an income of 1000*l.* a-year, and borrowed 5000*l.* on interest, will be only half as rich as before, his income being now reduced, by the return of low prices, to 500*l.* while the 250*l.* interest which he has to pay remains the same. All this is capable of mathematical demonstration. Does it not then follow, as a legitimate and undeniable consequence, that if a general reduction of prices takes place, so as to reduce every man's nominal income one half, while the taxes with which we are loaded for the payment of the interest of the national debt remain as before, that the effect will be the same as if these taxes were

*doubled*—in other words, that this low price, for which we are so anxious, will make the thirty-eight millions which we now pay for the interest of the national debt, in reality seventy-six? I have been accused of being fond of paradoxes; and this statement, at the first glance, may seem one; but I defy any candid and sober reasoner, who well considers the premises on which it is built, to prove that it is not a solid and incontrovertible truth. One great good resulting from the late high prices, was, as I have shown in another place\*, the virtual extinction of a large portion of the national debt incurred during the American war; and the effect of a return to low prices, must, on the same principle, be that of *doubling* the four hundred millions incurred during the war just ended. In this respect, there is an important difference between our taxes for the payment of the interest of this debt, and those for the ordinary expenditure of the state: these last may be naturally expected to diminish in proportion with the price of the articles in which they are expended; but the former are and must be stationary; and the only class of persons that will reap any actual benefit from a general reduction of prices, are those to whom these taxes are paid, namely, the stock-holders. *They* will have substantial reason to rejoice at the change, for every one of their incomes, as far as derived from this source, will be doubled. But whether for the mere sake of preventing the possibility of losing a sale for three or four millions of manufactures, it is worth while for nine-tenths of the nation to load themselves with the payment of an additional thirty-eight millions per annum, to the remaining tenth who are stock-holders, may, I should humbly conceive, admit of some little doubt. That this *will be* the actual result of a general fall of prices is, I repeat it, incontrovertible.

\* "Agriculture the Source," &c. p. 138.



In fact, our prices, and the whole of our internal system, are intimately and inseparably interwoven with our national debt, and altogether artificial; and so long as the moving principle of our machinery remains the same, and every wheel is kept in repair, and preserves that relative situation in which we know, by experience, it is capable of contributing to the equable and effective motion of the whole, we shall go on prosperously and happily, whether our foreign trade is diminished or increased; but if we once begin to try experiments, and while we cast off our fly-wheels and regulators, introduce a new and unmanageable power, the whole machinery will be blown to atoms, and the senseless operators buried in the ruins.

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# **SPEECH**

**DELIVERED AT THE PUBLIC MEETING**

**OF THE**

**MERCHANTS AND INHABITANTS OF HULL,**

**6th APRIL, 1812,**

**ON**

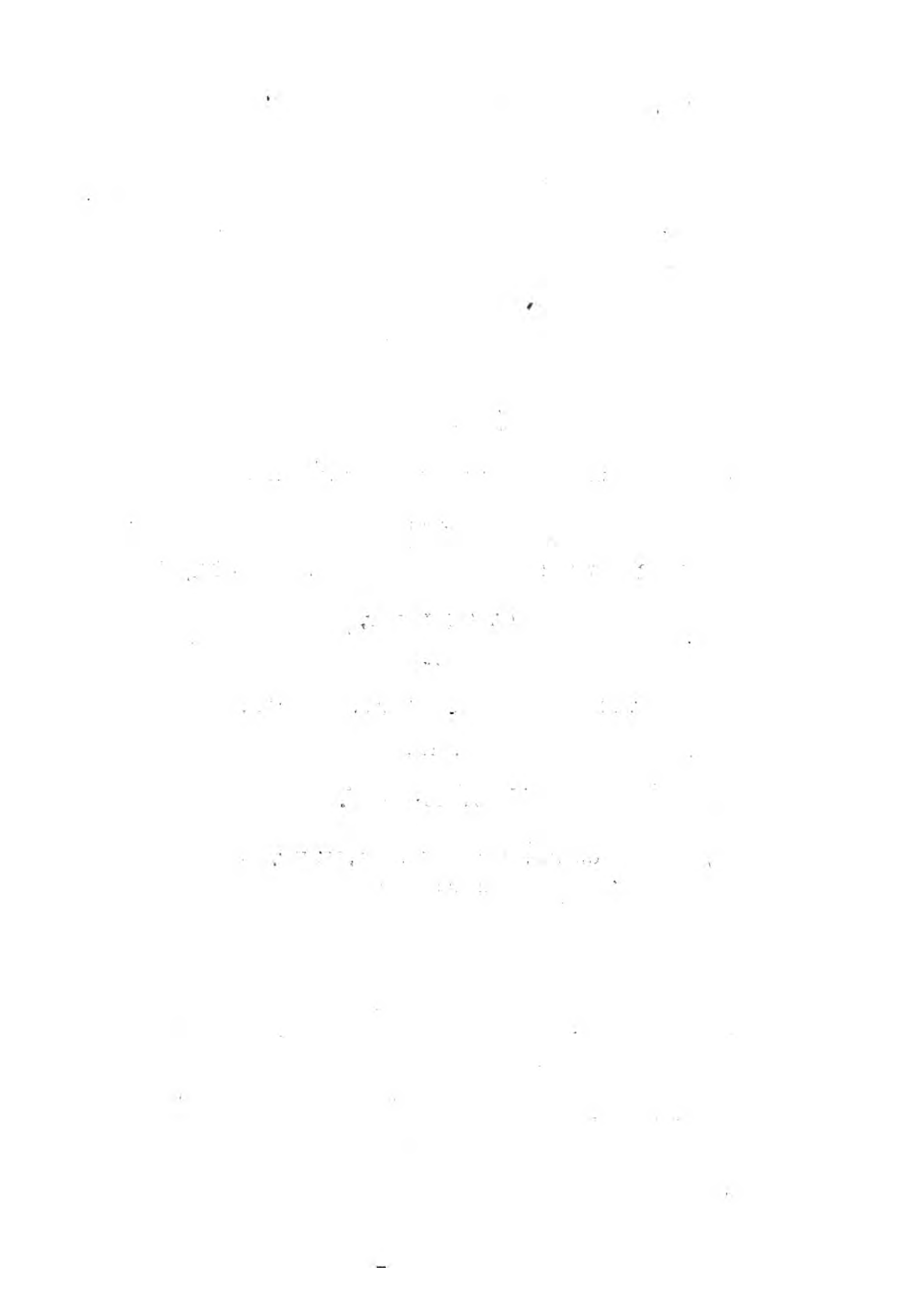
**THE SUBJECT OF LAYING OPEN THE TRADE**

**TO THE**

**EAST INDIES.**

**GEORGE SCHONSWAR, ESQ., MAYOR,**

**IN THE CHAIR.**



## SPEECH, &c.

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MR. MAYOR,

IN rising to second the resolutions which have been so ably and eloquently enforced by yourself and the gentleman who has moved them, it may be necessary for me to state in explanation of the apparent presumption of one who is unconnected with trade offering himself to your notice, that I consider this not merely as a commercial question, but as one of general policy, interesting to every man that has the honour of his country or the prosperity of the place in which he resides, at heart. Viewing it in this light, therefore, I beg to trespass on your attention with a few observations in support and confirmation of those which have been already urged with such effect. To such as have studied the question my remarks will have little of novelty, but they may not be unacceptable as furnishing further grounds for decision, to those whom want of leisure or inclination may have prevented from attending to it.

I need not occupy much of your time with advert-  
ing to the utter hostility of the East India monopoly  
to the principle of *right*. If we, the natives of this  
free kingdom, have not the privilege of trading to  
every quarter of the globe at peace with us, wherein  
in this respect do we differ from the degraded vassals

of a Buonaparte or any other despot? But this privilege the East India monopoly denies us. It would be some slight consolation if all the rest of the world were, like us, excluded by the company from the countries within the limits of their charter; but what must be our feelings of humiliation and mortification at the fact, that while they are empowered to seize all British vessels and their cargoes found within their limits, the Americans, the Spaniards, the Portuguese — every flag, in short, that we are not in direct hostility with, may freely sail into every creek and corner without molestation! We call ourselves Lords of the Ocean, and so as a nation we are; but considered individually there is not a paltry port in the United States, of which the merchants are not a thousand times more effectively lords of the ocean than British merchants. The wide world of waters is their inheritance, while the British merchant is confined to the circuit of the Atlantic, and if he shows his face within the three times more extensive range bounded by the Cape of Good Hope and Cape Horn — if he appears within the vast Pacific and Indian oceans — he is liable to be treated as a pirate, and is at the mercy of the servants of some 2000 men, women, and children, proprietors of East India stock, who have the exclusive privilege of sending their ships on this vast expanse.

There is something so monstrous in this exclusion of ourselves from the right of visiting quarters of the globe to which our rivals are allowed free access, that I was not a little curious to learn what reason could possibly be assigned for it. At length, after some search, in a letter of the late Lord Melville (then Mr. Dundas), I found one, doubtless the best that could be advanced; and what think you, Sir, is this reason? Why, that as every Englishman reaps a benefit from the influx of Indian wealth and capital into this country, while no such advantage is gained by foreigners, he has no reason to complain of being debarred from another privilege enjoyed by them!

It is not necessary to deny, as may be safely done, that any wealth or advantage is derived by any one of us from India, the mere statement of such an argument is enough to prove the rottenness of the cause which it advocates.

If the East Indian monopoly is thus at variance with the principle of right, equally so is it with every principle of policy and political economy. Whatever might have been urged in favour of an exclusive company at its first erection, and I fully agree with the gentleman who has preceded me, that much might then have been said for it, it cannot be contended that it is now required. As you, Sir, have yourself well observed, it is happily not necessary at this day either to adduce argument or authority to prove the absurdity and impolicy of monopolies. No one now doubts that they are not more contrary to the interest of the community, than to the ultimate advantage of those in whose favour they are granted.

But the company pretend that their case is a peculiar one—that they have derived and are deriving from Indian commerce all the advantages which it is capable of conferring, and that through them a vast stream of wealth has long been, and is still, pouring into the country. But how is the fact? The points to be ascertained lie in a very small compass. If the company really bring us so much riches, how are they distributed? Is it through the medium of their stock-holders? No, indeed. They have never paid above 10 per cent. on their capital—a rate which it is a wretched trade that does not afford. But perhaps, like the bank of England, they have some unknown accumulation of capital from which, when they least expect it, the proprietors and the country may receive a large bonus? So far from it, that, by their own confession, they are at this moment in debt above 35 millions, while the whole amount of their property of every description does not amount to thirty millions: and what large deductions ought to be

made from this account will be clear, when it is understood that in estimating their assets, they make no allowance for bad debts; that they value their forts and other dead stock, as they call it, at nine millions; and make an item of two millions from — what think you, Sir? — why, household furniture, farming stock, pleasure boats, plate, and table linen! In fact, whatever may have been the case formerly, the company admit that they do not now derive any profit from their trade; that their revenue of upwards of fifteen millions is wholly swallowed up by their expenses of governing and the interest on their debt: and that the very money with which their dividends are paid is borrowed.

But then the advocates for the company cry out, as did Mr. Jackson the other day at the India House— “ Oh! but you forget what a vast portion of the “ revenue is paid by us—that the duties on our im- “ ports amount to above four millions yearly!” No, Sir, we do not forget this, but we are not such egregious simpletons as to give the company the credit of paying these duties. Who actually pays the duty on a pound of tea? Not the company who have merely advanced it and are repaid again, but the consumer: and are we to be thought such idiots as to fancy that private merchants could not advance these duties as well as the company?— When Mr. Grant at the late debate talked of the company’s profits being reduced to nothing, by the nine millions which they have paid in freight a few years past, Mr. Bosanquet at once reminded him that these freights were charged upon the goods, and repaid to the company by the purchasers; but when Mr. Jackson mentioned the vast duties paid to government, none of his auditors were so kind as to remind *him* that he had fallen into an error precisely similar to that of Mr. Grant, and quite as preposterous.

Such being the facts, with what face can it be pretended that the East India company is productive of any wealth to the country? The truth is, that, with the exception of the remittances of private fortunes to



England, which have never equalled in average amount any thing like what has been supposed, and are now very trifling, this country has not since the last granting of the charter gained one sixpence by India, nor have the profits derived from it at every former period, equalled the sums which its possession has cost us.

One might have thought that the company would have very readily assented to give up a monopoly so little profitable, either to themselves or the nation. But if neither the nation nor the company gain, the directors do. Their patronage is worth having, and worth sticking for : and both they and the proprietors, who are easily made to believe all their assertions, contend that the very existence of the company is involved in the continuance of their commercial monopoly.

But it will be inquired, what are the objections which the advocates of the monopoly oppose to its cessation ? and these I shall now attend to, for, notwithstanding its apparent hostility to every principle of justice and policy, if it can be proved to be attended by some unknown preponderating advantages, we certainly ought to yield conviction to evidence and argument. But evidence and argument I have in vain sought for : I have read over, with the utmost attention, the so vaunted letter of Mr. Grant, which to me seems a mere wordy mass of futility, and has not even the claim of novelty to recommend it ; for every one of the arguments he uses was employed twelve years ago in a letter which a committee of directors wrote to Mr. Dundas. Indeed, nothing can be a greater proof of the badness of their cause, than the fact, that you never find, however often it is brought into discussion, a single new argument in support of it. The same themes are for ever harped upon ; the same oft-refuted reasoning eternally brought forward.

But to advert to these arguments, such as they are. — If I were to endeavour to characterize them in one word, I should call them arguments *ad misericordiam*,

for they are all addressed to our compassion : and they might very conveniently be assorted under two great heads, those founded on compassion to the East India company themselves, and those founded on this amiable feeling towards us or the country.

One of the side-wind arguments, for instance, of these compassionate gentlemen is, that if their monopoly were to cease, numbers of their old servants would be reduced to poverty. Kind and humane souls ! they remember that charity begins at home ; and most conclusively think that the possible inconveniences of a few hundred dependents, for whom they might find employment in other departments, or reward with pensions, are of more importance than the actual distresses of tens of thousands of our starving manufacturers !

This is a specimen of their arguments addressed to our compassion for themselves ; but we are not to suppose that they are chiefly of this selfish cast. No : compassion for their countrymen is still uppermost in their benevolent hearts. For instance, they tell us that if the trade were thrown open, our eagerness to embark in it, would lead us to the eastern coast of Africa, and other barbarous regions, where the odds are, that numbers of the adventurers would be robbed and murdered ! — than which rawhead and bloody-bone argument there never, to be sure, was any thing more delectably childish and absurd ; or more strikingly indicative of their utter contempt for the understandings of those they address.

Again, in the same compassionate strain, they express their heartfelt pangs, lest if the trade should be opened, such crowds of adventurers should rush into it, as to overbuy, undersell, and eventually ruin each other. But are we to be deterred from digging into a mine that has every appearance of being rich, because now and then a few labourers are buried in similar attempts ? What if a few foolhardy speculators, untaught by recent dear-bought experience, do run headlong into ruin, is this a reason for keeping

shut a beneficial market? Is there not the same danger in every case of opening a new outlet for commerce; and if the argument prove any thing in the case of the East India trade, it proves that no new market ought ever to be suddenly opened—a position which, with all their tender feelings, the East India company would scarcely lay down.

A fourth argument originates in compassion for the revenue. These sharp-sighted politicians fear that if ships were generally allowed to clear out from India, there would be no security for their not taking their cargoes direct to foreign ports, instead of sailing to Britain, and there paying duties. Was ever any thing so lamentably absurd? As though our private merchant ships did not clear out from the West Indies with cargoes paying heavy duties; and as though any one ever heard of their sailing direct to Petersburg or Hamburgh; and as though our Custom House regulations were not amply sufficient for preventing any abuse of the sort!

But passing over these minor objections, let us proceed to a more important one. “Granting,” say the East India company’s advocates, “that we can  
 “find the means of pensioning our dependants,—  
 “that the adventurers will neither all be ruined nor  
 “killed and eaten by the Africans—and that the  
 “duties may be secured as well from the East as the  
 “West Indies,—yet still there remains one grand  
 “and conclusive objection to the trade being thrown  
 “open, namely, that it would be of no advantage to  
 “those who are so eager for having access to it. We  
 “have been using, for 200 years, every effort to in-  
 “crease it, but in vain: instead of increasing, it  
 “diminishes: We lose on all our exports, and gain  
 “little or nothing on our imports: And the people  
 “of India are so poor, and their habits and pre-  
 “judices, moral and religious, are so inveterate, that  
 “there can never be any extensive demand amongst  
 “them for our manufactures.” Such is this formidable objection, which, to be fully entered into,

must be considered in two points of view. I shall, therefore, in the first place show, that whatever be the slightness of the benefit derived from the trade in its present state, as carried on by the East India company, it might be prosecuted with every prospect of advantage by individual merchants: and in the second place, that however limited the trade is now, there is no reason to doubt its capacity for great future extension.

Now, to prove my first position, that though the East India company derive no profit from their trade, private merchants would, if allowed to enter into competition with them, it is only necessary to advert to the known fact, that private individuals can always carry on any branch of trade at infinitely less cost than a public body. Contrast but the solemn, languid movements of the East India company — doing every thing by line and rule — every servant waiting for an order from some superior before he stirs a step — and this superior immovable, except through the impulse of a despatch from the directors; contrast, I say, this sleepy mode of management with the activity and energy of a private trader — stimulated by the great spring of human action, interest, — watching every turn of circumstances — ever ready to seize upon a favourable moment, — and carrying on all his operations under the conviction, as Mr. Attwood well expressed it, that if he does not make trade every thing, it will soon make him nothing; and it will be impossible not to see that the latter may gain greatly by a traffic which is a source of loss to the former. To prove the enormous disadvantages under which the company labour, it will be only requisite to cite a very few facts. In the first place, their ships are navigated with three times the number of men which ordinary merchant ships of the same size would require. In the second place, in consequence of their making their mercantile, subservient to their civil interests, their ships are twice as long in performing

their voyage as is necessary. One of the company's ships is a year and a half in making the voyage out and home to Calcutta, which an American performs in nine months. And thirdly, in consequence of their taking out so few exports, the freight of their homeward bound cargoes becomes enormous. The result of all these disadvantages is, that while, as Lord Valentia has shown, it costs the company 30,000*l.* to export a cargo of coffee from Mocha to the Mediterranean, an American merchant can export the very same cargo for 15,000*l.*: and that the Americans are not only able to sell tea in Canada at 50 per cent. less than the company could, but, as Mr. Attwood asserted on good authority, would undertake to supply this country at 50 per cent. under the present price, and pay the existing duties.

Indeed, if other facts were wanting to show how impossible it is in the very nature of things for the East India company to stand in competition with private merchants, it is only necessary to advert to the single one, that since the Americans have been allowed to enter into rivalry with them, they have actually deprived them of one half of all their trade; and the fact just mentioned evinces that if allowed to become competitors with them in the home trade, they would have long since fairly driven them out of it. How can the East India company have the effrontery to pretend that they have exhausted the advantages of the trade to India, when the Americans and other neutrals actually exported thither in 1805, thrice as much as they did; and when, as Marquis Wellesley asserts in his letter to the directors, of 30th of Sept. 1800, the "capital of the company applicable to that purpose is utterly inadequate to the purchase of the surplus produce and manufactures of British India?"

I have thus, I think, sufficiently shown that even were it the fact that no greater extension could be given to the East India trade, yet, that though now unprofitable to the company, it might be highly profit-

able to British merchants. — But are we to be so blind to the very conformation of the human mind, and to every record of experience, past and present, as to believe the East India company's advocates, when they tell us that the trade is incapable of extension? What! a free commerce with 400 millions of customers not capable of extension! How supremely ridiculous! Granted that the Hindoos are poor, and attached to old customs, yet they are not a tythe of the customers to which we shall have access, if the East India monopoly be done away. Is it credible, that amongst the 350 millions remaining — amongst the inhabitants of the Eastern coast of Africa, of Arabia, Persia, China, and the countless islands of the Indian and Pacific oceans — with which last, even the Americans find means of traffic — we shall not be able to obtain an extension of the market for our commodities? But even amongst the Hindoos, how idle to assert that no new wants can be introduced! They are now indolent, because nothing is presented to them capable of stimulating them to exertion; but let your merchants from Birmingham and Sheffield have access to them; let them display before them their brilliant and useful articles of manufacture, and you will inevitably create new desires in them, and a consequent source of trade. Can it be believed, that if the Hindoos had the means of comparison, they would not prefer our well-contrived and handy tools before their cumbrous ones — that if the rich Mahomedans of Indostan had set before them the endless variety of our manufactures in gold, silver, jewellery, and glass, that a desire would not arise for possessing them? No matter how trifling, how useless the article — if a general taste for it be diffused, our end is answered; and the fashion of wearing a simple steel ornament, not worth a shilling, amongst the Hindoos, might give rise to a traffic of millions. Two hundred years ago, not a hundred pounds' worth of tea, coffee, and sugar, were consumed in this country; now we use 12 millions' worth. But would our consumption

of them have been thus great, if these articles had never been offered to us? Suppose, that a century ago the cases of this country and China had been reversed, that China had long traded with England by means of a chartered company, and that about the year 1700, the people of China, becoming eager for a participation in this trade, had petitioned the Emperor to throw open the monopoly. Why, Sir, we may readily conceive that some great mandarin, some director of the English company, some Ti Fi, or other, would have written a letter to his imperial majesty's secretary of state, very similar to that of Mr. Grant. He would have set forth, that, not to dwell upon the risk which his imperial majesty's loyal subjects ran of being killed and eaten, if they ventured amongst such a horde of barbarians; the English company had tried every means of extending their trade amongst them, without effect: that the climate was too cold to hope to introduce their silks — that no sale for tea could be looked for amongst a people who drank a vile infusion of barley, which they called ale — nor could the manufacturers of *chop-sticks* hope to supersede the use of the strange iron implements called knives and forks. But suppose the Chinese merchants had replied, "let us try, at least, if we cannot infuse a taste for some of our articles into these savage Englishmen" — and if his imperial majesty had consented to their request, would not the petitioners have proved the futility of all the company's predictions? In 1700, tea sold in England at 3*l.* per lb.; equal to 10*l.* now; and not 100 pounds per annum were consumed. Now we use 25 millions of pounds' worth, upwards of three millions sterling, and there is not an inhabitant, from the prince to the washer-woman, that does not annually spend from ten shillings to ten pounds in this weed.

Just so it will be if our prayer is granted, and we are allowed free intercourse with the vast empires of the East. We shall tempt the inhabitants with new luxuries, and create a taste for them, and in 20 years

from this time, I should have no doubt our exports would be twenty or thirty millions. A far greater authority than the East India company, Dr. Adam Smith, has asserted, that “ the East Indies offer a market both for the manufactures of Europe, and for the gold and silver, as well as other productions of America, greater and more extensive than both Europe and America put together.”

And if we could thus find a vent for our manufactures, we could, with like facility, find consumption at home for new imports from India, in addition to the important one of gold, instanced by Mr. Wray. Thirty or forty years ago, we paid large sums to Spain for *Indigo*; now, in consequence of the efforts of private individuals, (for the company have wisely not interfered in the matter) as much indigo is manufactured in India as would supply all Europe. In the same manner, there is every reason to believe that *cochineal*, for which we at present pay annually vast sums, might be produced there; and it is well ascertained, that if the *silk* of India were brought to that perfection which it never can be by any company, but easily would by private individuals, that every pound we want of that article, for which we now pay large sums to France and Italy, might be got from thence. There is no doubt, too, that *cotton*, which can be bought in India at  $1\frac{1}{2}d.$  per pound might be imported with profit, were it not loaded with the monstrous freight paid by the company; and in the present state of Europe, the importance of looking to India for a supply of *hemp*, and being no longer dependent on procuring it from the Baltic by the horrible system of licenses, need not be insisted on. I mention these articles to show the ease with which the extension of the present import trade might be effected, but if there were even not one new article of import now presented itself, no man acquainted with the fickleness of human desires, can doubt that in five years a score would.

Thus, then, instead of its being doubtful, whether



we can derive any profit from a free trade with India, it is certain that we can gain a very great one; and shall we, then, be induced, by arguments so flimsy, to consent to exclude ourselves from the opportunity of obtaining these advantages, when not only are our present needs so pressing, but when there is every reason to believe, that even were the existing restraints in the way of intercourse with Europe removed, we could not again look for our former extent of trade with it?

There is yet one grand objection of the opponents of a free intercourse with India, to which, when beaten from all their other strong holds, they never fail to fly, on which, if I have not too much trespassed on your attention, I will say a few words. This is the danger of *colonization*. The East India company pretend that if merchants are allowed to go at will into India, many will reside there, will become attached to the soil, and that in time they will form a powerful body, which, as in North America, will throw off allegiance to this country, and erect India into a separate empire. For my part, if this supposition were as well as it is ill founded, I should see no such tremendous evil in being relieved from the government of a country which has been, and I am persuaded ever will be, a drain upon our wealth, and seeing it under the dominion of Englishmen who, as a separate state, would be like the Americans, far more profitable customers to us than when under our immediate control. But to suppose for a moment that colonization can ever take place in India in the sense in which the defenders of the company employ it, betrays a most deplorable ignorance of the subject. America was colonized by artisans and farmers, men who went to make it their country, and whose children felt no attachment for any other. But what artisans or farmers are to go to India, where the wages of a day-labourer are a penny or two-pence; where the land is all occupied; and where the utmost efforts of industry would be insufficient to make farming profitable? It is

evident, therefore, that none but merchants will ever settle in India; as now their sole object will be the acquisition of a fortune to enjoy at home, and it will be utterly impossible that either their numbers or their feelings should ever lead them to any such attempts as the East India company predict. And, surely, in a country where even by their own confession our authority depends upon mere opinion, and is so liable at every moment to be swept away, that even a few missionaries can create the most sensible alarm, nothing can be so preposterous as to suffer so distant and improbable an evil (if it would be an evil) as colonization, to fright us from attempting the attainment of a present good. — Let us hear Marquis Wellesley on this point. In his very sensible letter of the 30th of September, 1800, which gave such umbrage to the court of directors, is this important passage: “The operation of the mistaken policy which has filled the ports of India with the ships of foreign nations, has enabled these nations to rival the company both in Europe and in India in many articles of its import and export trade; has invited from Europe and America, adventurers of every description, and by the number and activity of their foreign agents, has menaced the foundation of your commercial and political interests throughout every part of Asia, and even within your own dominions.” After this quotation I need not say another word on the bugbear colonization, which the gnat-straining and camel-swallowing advocates of the company lay such stress upon. It is *foreign*, not British merchants that the company has to dread.

I have thus shown, I fear, very tediously, that the abolition of the East India company's monopoly is called for by every dictate of justice and policy, and that all the objections urged against the measure are futile to the last degree. Perhaps it may be thought that I might have spared myself this trouble, considering that government has intimated its intention of throwing it open in some measure: but my very

reason for thus going at large into the general principle is, that the partial opening of the trade, which it has been intimated is in contemplation, will be in fact perfectly nugatory, and that nothing short of throwing it open entirely can have any beneficial effect. For what is the nature of the restrictions yet to be continued? In the first place, the company insist, and government seems inclined to yield the point, that all ships which come from India to England are to proceed to the port of London: they will be permitted (though the company even wanted to prevent this) to sail *from* the out-ports, but they must all sail *to* London, — a regulation which, if carried into effect, will entirely prevent the out-ports from reaping any advantage from the cessation of the monopoly. And what possible necessity can there be for the trade being confined to London? Are there not custom houses at Hull and Liverpool, and officers as well able to guard the interest of the revenue? Did not Holland understand the system of exclusive companies as well as we, and yet in the strictest periods of her East India monopoly, she allowed the ships to proceed to five other ports besides Amsterdam. In the second place, it is meant that all goods imported shall be put into the company's warehouses, and sold by them, they charging 5 per cent. for warehouse room and expenses — a measure for the destructive operation of which on every hope of mercantile profit, I need only refer you to Mr. Alderman Osbourne, if he be now in this assembly. In the third place, government seem fully to have agreed that the company shall retain an exclusive right to the China trade: and for what reason? For none better than the most absurd one, so forcibly commented on by Mr. Wray, that, if unlimited trade is allowed, some of our merchants or seamen will be offending the punctilious government of China, and we shall all be hurried headlong out of the country together. But what a childish fear is this! Suppose it were to be the case, are there not Formosa and other islands in

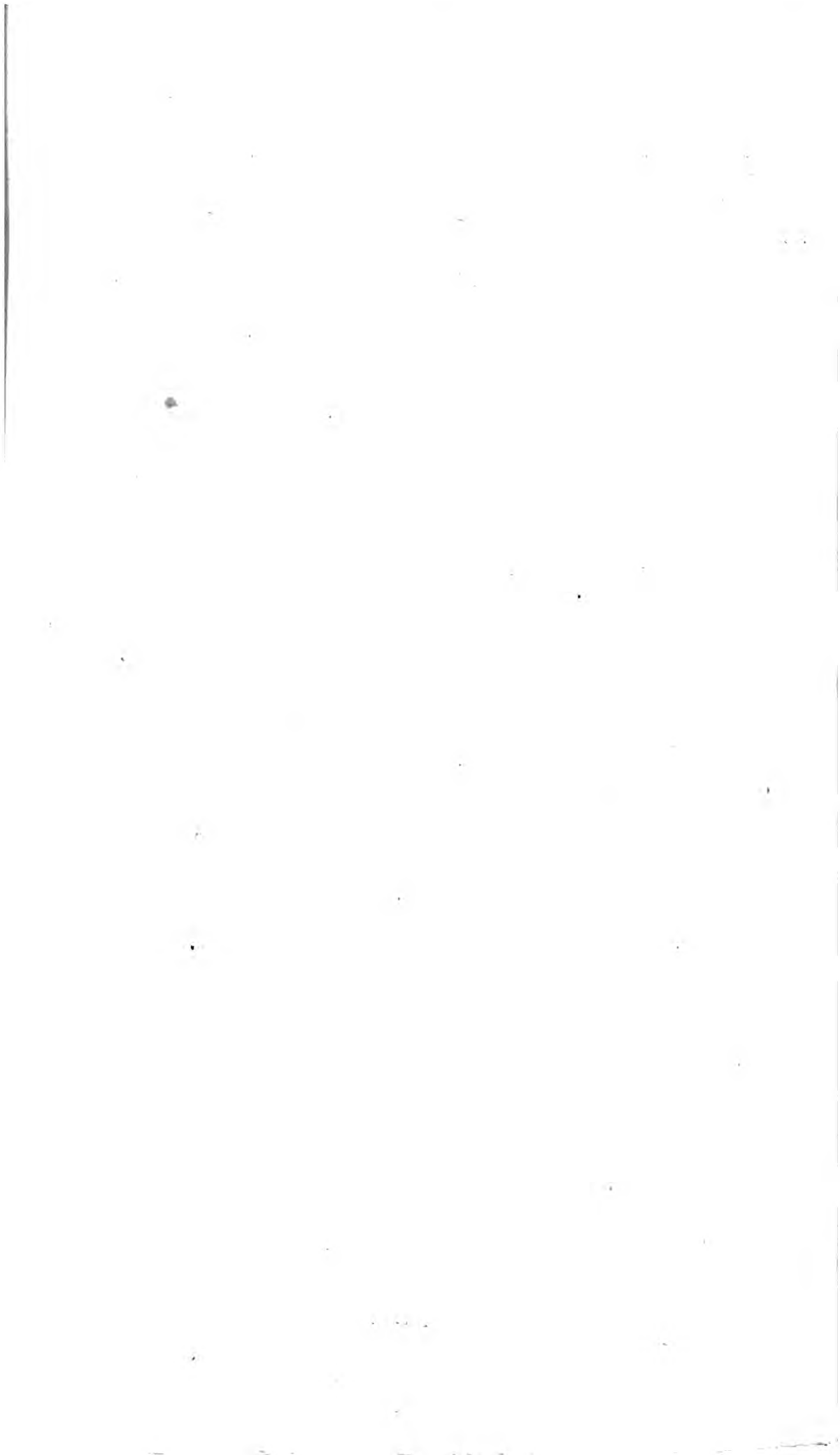
the neighbourhood, which might be made places of depôt; and are not the whole of the Chinese nation smugglers, that would bring tea to us in any quantity? But why, in the name of all that's reasonable, are British merchants and sailors to offend the Chinese more than American sailors, who are the most unruly class of men in the world? The mere mention of such a libel is its refutation; and this, with the silly pretext, that it will be better for the revenue to continue the Chinese trade with the company, as though the revenue could not be as well collected on tea as on rum and sugar, is the "unanswerable" argument which is to induce the government to deprive us of this trade!

To these three points, therefore, our attention should be particularly directed; and if we do not gain these, we in fact do next to nothing. Without the liberty of importing into the out-ports, and disposing of our imports as we please, and without the China trade which Mr. Robert Thornton but the other day boasted is by far the most profitable branch of the whole, and one which, as they were to keep, the free traders could do them no harm; the advantages of an abolition of the monopoly will not be one-twentieth part of what they may be. Our most strenuous efforts, therefore, must be directed to the attainment of these objects.

Having said thus much on the subject before us, I shall beg leave, in concluding, to say a word respecting myself. It will to many seem somewhat inconsistent that I, the author of a pamphlet, which, however undeservedly, made some noise in the world, maintaining that commerce is not necessary to our prosperity, should yet so earnestly contend for a measure of which the object is the extension of that commerce. But this inconsistency will only exist in the eyes of those who never read the work, or, like some of those who pretended to answer it, only looked at such parts of it as suited their argument. They who ever honoured it with a perusal, know that its

aim was simply to prove, that if by any external and unavoidable means we should ever be deprived of our commerce, we could exist prosperously without it, and need not on that account sink into despondency. And this opinion I still firmly hold. But well aware of the temporary misery which all sudden changes must bring, and of the vast utility of commerce in various points of view, never did I advise that we should voluntarily relinquish it, or neglect any fair opportunity of extending it. It is, Sir, therefore, with perfect consistency that I lift up my feeble voice against one of the most odious and unjust monopolies that ever existed, and heartily second the resolutions moved.

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## APPENDIX.

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IN an interleaved volume of my tracts, I have occasionally copied passages occurring in the course of my reading, which illustrate and confirm their principles. A few of the most striking of these I shall give here, under titles which will enable the reader to refer them to their proper places.

*Manufacturers only distributors of the Surplus Produce of the Soil.*

“ The monks are lazy. Be it so. Suppose them no otherwise employed than by singing in the choir. They are as usefully employed as those who neither sing nor say. As usefully even as those who sing upon the stage. They are as usefully employed as if they worked from dawn to dark in the innumerable servile, degrading, unseemly, unmanly, and often most unwholesome and pestiferous occupations, to which, by the social economy, so many wretches are inevitably doomed. If it were not generally pernicious to disturb the natural course of things, and to impede, in any degree, the great wheel of circulation which is turned by the strangely-directed labour of these unhappy people, I should be infinitely more inclined forcibly to rescue them from their miserable industry than violently to disturb the tranquil repose of monastic quietude. Humanity, and perhaps policy, might better justify me in the one than in the other. It is a subject on which I have often reflected;

and never reflected without feeling from it. I am sure that no consideration, except the necessity of submitting to the yoke of luxury, and the despotism of fancy, who, in their own imperious way, will distribute the surplus product of the soil, can justify the toleration of such trades and employments in a well regulated state. But for this purpose of distribution, it seems to me, that the idle expenses of monks are quite as well directed as the idle expenses of us lay-loiterers." — BURKE. — REFLECTIONS ON THE REVOLUTION IN FRANCE.

*British Agricultural Capital, as contrasted with that of other Countries.*

"It is upon the firm basis of this momentous fact (the superiority of British agricultural capital, compared with that of France), that politicians ought to seek the solution of that apparent phenomenon which the two last wars exhibited; the spectacle of England resisting, successfully, the whole power of France and Spain: and I will venture further to assert, that those who seek the explanation in American colonies or Indian conquests, seek it in causes of weakness much more than of strength; and that the possession of near three hundred millions sterling of active capital employed upon our lands, is of quite another importance than that of such distant and brittle dependencies, or than any advantage that our boasted foreign commerce ever gave us." — ARTHUR YOUNG'S TRAVELS IN FRANCE, p. 531.

*Surplus Produce of England, as compared with that of France.*

"The importance of a country producing twenty-five bushels per acre, instead of eighteen (as in France) is prodigious. Ten millions of acres produce more



corn than fifteen millions; consequently, a territory of one hundred millions of acres more than equals another of one hundred and fifty millions. It is from such facts that we must seek for an explanation of the power of England, which has ventured to measure itself with that of a country so much more populous, extensive, and more favoured by nature, as France really is; and it is a lesson to all governments whatever, that if they would be powerful, they must encourage the only real and permanent basis of power, **AGRICULTURE**. By enlarging the quantity of the products in a nation, all those advantages flow which have been attributed to a great population, but which ought, with much more truth, to have been assigned to a great consumption; since it is not the mere number of people, but their ease and welfare, which constitute national prosperity.”—ARTHUR YOUNG’S TRAVELS IN FRANCE, p. 344.

*Small Surplus Produce from Farming in the United States.*

“From this account (of prices of butter, &c. 1796), it would appear that farmers must make large profits; and so they do in their way. But the whole quantity of grain, cattle, &c. that is raised for market on farms of several hundred acres of land, is trifling, compared with that which a good farmer in England produces from the same number of acres; and may justly be compared, in the one case, to a small retail trade, that makes large profits on small returns; and in the other, to a wholesale trade, making small profits on large returns.

“Yet, at the best, a man can only be a petty farmer in America, compared with what he might be by employing the same capital on a farm in England. I frequently drew a comparison between some of the best American farmers that I knew, living on estates of their own, from one to seven hundred acres of land,

and farmers I had known in England, renting the same quantity of land; when the advantages, in every instance, appeared considerably in favour of the English farmer." — LIFE OF LIEUT. HARRIOTT, vol. ii. p. 205.

*Little Surplus Produce, or National Wealth, from small Farms.*

Speaking of the great division of property in the Isle of Axholm, Lincolnshire, where, as in some parts of France and Flanders, the whole land almost is divided amongst cottagers, who have two, three, four, five and up to twenty acres only, Mr. Young observes,

"They are very poor respecting money, but very happy respecting their mode of existence." — ARTHUR YOUNG'S SURVEY OF LINCOLNSHIRE, p. 17.

"The number of small properties in France is so great, that probably one-third of the kingdom is occupied by them." — ARTHUR YOUNG'S TRAVELS IN FRANCE, p. 407.

"If we formed our opinions hastily, we might suppose that the revolution, like the torrent which washes down the soil from the mountains to fertilize the valleys, had distributed the spoils of the rich among the poor; and that, consequently, the peasantry had derived inestimable advantages from the new order of things. But, though every peasant has become a proprietor, instead of improving agriculture, cultivation has gone considerably backwards; for the small proprietors are too miserably poor to meliorate their lands; they are often even obliged to borrow money at usurious interest, to defray the charges of common cultivation, and the crop is thus mortgaged before the seed is sown." — LORD BLAYNEY'S NARRATIVE, i. 490.

*Importance of Circulation and Consumption to National Wealth.*

"Pass Payrac. All the country girls and women are without shoes and stockings; and the ploughmen

at work have neither sabots nor feet to their stockings. This is a poverty that strikes at the root of national prosperity; a large consumption among the poor being of more consequence than among the rich. The wealth of a nation lies in its circulation and consumption, and the case of poor people abstaining from the use of manufactures of leather and wool, ought to be considered an evil of the first magnitude. It reminded me of the misery of Ireland." — ARTHUR YOUNG'S TRAVELS IN FRANCE, p. 18.

*Injurious Effect of Manufactures extended by Machinery on the Prosperity and Happiness of the Lower Classes.*

"The truth is, that this great discovery of the subdivision of labour, upon which national prosperity is almost exclusively founded, has had a sad effect upon the characters of the lower orders; and has degraded the bulk of the population far below the average of less wealthy communities." — EDINBURGH REVIEW, xviii. 485.

"These circumstances may seem to make it doubtful, whether the great improvement which society has made in wealth, splendour, and power, is not accompanied with some diminution of the happiness of the larger body, as it undoubtedly is with a great falling off in the polish of their manners and the elevation of their sentiments." — *Ibid.* xviii. 488.

"The effect, then, which is produced on the lower orders of society by that increase of industry and refinement, and that multiplication of conveniences, which are commonly looked upon as the surest tests of increasing prosperity, is, to convert the peasants into manufacturers, and the manufacturers into paupers; while the chance of their ever emerging from this condition, becomes constantly less, the more complete and mature the system is which had originally produced it. When manufactures are long established, and thoroughly understood, it will always be found,

that persons possessed of a large capital can carry them on upon lower profits than persons of any other description; and the natural tendency of this system, therefore, is to throw the whole business into the hands of great capitalists; and thus, not only to render it next to impossible for a common workman to advance himself into the condition of a master, but to drive from the competition the greater part of those moderate dealers, by whose prosperity alone the general happiness of the nation can be promoted. The state of the operative manufacturers, therefore, seems every day more hopelessly stationary; and that great body of the people, it appears to us, is likely to grow into a fixed and degraded *caste*, out of which no person can hope to escape, who has once been enrolled amongst its members." — EDINBURGH REVIEW, XXI. 22.

*Beneficial Influence of Monopoly and High Price on National Industry, independent of Commerce, exemplified in the effect of Buonaparte's "Continental System" on France.*

"This system (the Continental system) was essential, because it was necessary that manufactures should bear an enormous price in order to ensure the advances which their establishments required. — Facts have proved in my favour. I have displaced the seat of industry in driving it from the sea. — If France would prosper, she must retain my system though its name be changed. — Experience showed daily that the Continental System was good, for the state prospered in spite of the burthen of war. The taxes were forthcoming; credit was on a par with the interest of money. The spirit of improvement manifested itself in agriculture as well as in manufactures. New villages sprung up, like streets in Paris. Roads and canals facilitated internal communication. Every week some improvement was discovered: I caused sugar to be made from turnips, and soda from salt. The developement of the

sciences was equal to that of industry." \* — MANUSCRIPT VENUE DE ST. HELENE, p. 68.

*Subserviency of Commerce to Agriculture.*

“ These essays are introduced by a short preface, in which it is contended, that in every well-regulated state agriculture ought to form the basis of its greatness, and commerce merely the superstructure ; and that the first and principal object of consideration, should be, to provide victual necessary for the maintenance of the whole community. Since the years of scarcity, we have been more awake than we formerly were to this weighty truth, though the splendour of trade and commerce continues to dazzle and mislead us.” — MONTHLY REVIEW, Nov. 1810.

*The Duties on Imports paid by the Consumers.*

“ The first great service which the East India company pretended to render to the nation, was, that of paying duties of custom, and for this they still claim distinction ; — so profound is the ignorance in which either they themselves are still buried, or which they count on finding in the legislature which they address ; — and as if other branches of trade did not pay custom as well as East India trade ; as if private merchants trading to India would not have been subjected to the same duties ; and as if it were not now fully known to all the instructed men in Europe, that customs are really paid by the *consumers* of the goods, not the *importers* of them ; and that whatever duties are levied on East India imports, it is the *nation* which pays them, not the company.” — MONTHLY REVIEW, vol. lxiv. p. 345.

\* After the strange misrepresentations of my opinions, it is, perhaps, necessary for me to state, that I do not quote this passage (of which it is no matter who was the author,) in recommendation of the interdiction of Commerce, but simply to show that even without it, high price will have the best effect on national prosperity.

*Importation of Luxuries in exchange for Necessaries.*

“ If there be a nation that exports its beef and linen to pay for its importations of claret and porter, while a great part of its people live upon potatoes and wear no shirts, wherein does it differ from the sot who lets his family starve, and sells his clothes to buy drink?” — DR. FRANKLIN’S CORRESPONDENCE, 4to. p. 61.

*Manufactures and Commerce, transmuted Wealth.*

“ It has been computed by some political arithmetician, that if every man and woman would work four hours in each day in something useful, that labour would produce sufficient to procure all the necessaries and comforts of life; want and misery would be banished out of the world, and the rest of the twenty-four hours might be leisure and pleasure. What, then, occasions so much want and misery? It is the employment of men and women in works that produce neither the necessaries nor conveniences of life; who, with those who do nothing, consume the necessaries raised by the laborious. To explain this — The first elements of wealth are obtained by labour, from the earth and waters. I have land, and raise corn; if with this I feed a family that does nothing, my corn will be consumed, and at the end of a year, I shall be no richer than I was at the beginning. But if, while I feed them, I employ them, some in spinning, others in hewing timber, and sawing boards, others in making bricks, &c. for building; the value of my corn will be arrested, and remain with me, and at the end of the year we may all be better clothed, and better lodged. And if, instead of employing a man I feed in making bricks, I employ him in fiddling for me, the corn he eats is gone, and no part of his manufacture remains to augment the wealth and conveniences of the family; I shall, therefore, be the poorer for this fiddling man, unless the rest of my

family work more, or eat less, to make up the deficiency he occasions. Look round the world, and see the millions employed in doing nothing, or in something that amounts to nothing, when the necessaries and conveniences of life are in question. What is the bulk of our commerce for which we fight and destroy each other, but the toil of millions for superfluities, to the great hazard and loss of many lives by the constant dangers of the sea? How much labour spent in building and fitting great ships to go to China and Arabia, for tea and coffee; to the West Indies, for sugar; to America, for tobacco! These things cannot be called the necessaries of life, for our ancestors lived very comfortably without them." — DR. FRANKLIN'S CORRESPONDENCE, p. 60.

THE END.

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