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PREFACE.

POLITICAL Economy, though not deemed an essential branch of education for churchmen, touches very closely, notwithstanding, on certain questions, in which both the interest and the duty of ecclesiastics are deeply concerned. The questions of Pauperism and of a Religious Establishment, though no others could be specified, would, of themselves, justify a reference to the lessons and principles of this science, even in a theological course.

But there is one general application that might be made of the whole subject, and which gives it, in our judgment, its principal claim on the earnest and respectful attention of a Christian philanthropist. Political economy aims at the diffusion of sufficiency and comfort throughout the mass of the population, by a multiplication or enlargement of the outward means and materials of human enjoyment. Now, we hold it to be demonstrable, on its own principles, that, vary its devices and expedients as it may, this is an object which it never can secure, apart from a virtuous and educated peasantry. Our endeavour is to prove, that, in every direction, there is a limit to the augmentation of

our physical resources; and that, in virtue of this, there must, especially in old countries, be a felt pressure and discomfort throughout every community, which has either outgrown the means for its Christian instruction, or, in any other way, renounced the habits and decencies of a Christian land. In other words, our object will be gained, if we can demonstrate, that, even but for the economic well-being of a people, their moral and religious education is the first and greatest object of national policy; and that, while this is neglected, a government, in its anxious and incessant labours for a well-conditioned state of the commonwealth, will only flounder from one delusive shift or expedient to another, under the double misfortune, of being held responsible for the prosperity of the land, and yet, finding this to be an element most helplessly and hopelessly beyond its control.

It is obvious of such a task as that which we have prescribed to ourselves, that it cannot fully be accomplished, without an extensive range and survey among the doctrines of political economy. More especially, the theory of wealth had to be examined in connexion with the theory of population; and the great resulting lesson is—the intimate alliance which obtains between the economical and the moral; insomuch, that the best objects of the science cannot, by any possibility, be realized, but by dint of prudence and virtue among the common people.

Some of the text in this volume was recently

delivered in Lectures to the Students of the Theological Hall in Edinburgh. We gladly transfer them from the chair to the press, were it for no other reason, than to relieve our academic work, in all time coming, even from the semblance of aught that is extra-professional.* We cannot, however, bid adieu to political economy, without an earnest recommendation of its lessons to all those who enter upon the ecclesiastical vocation. They are our churchmen, in fact, who could best carry the most important of these lessons into practical effect. If sufficiently enlightened on the question of pauperism, they might, with the greatest ease, in Scotland, clear away this moral leprosy from their respective parishes. And, standing at the head of Christian education, they are the alone effectual dispensers of all those civil and economical blessings which would follow in its train.

We are not sanguine either of a general or of an instant reception for the doctrines of our work. Its novelties may long be disregarded or derided as paradoxes. And it is not the achievement of a day, to overturn the principles of a reigning school.

* It may be right to mention, that all which we did deliver upon this subject, was in a separate lectureship of one hour in the week, distinct from the regular lessons of the Theological course, though preparatory to our views on the treatment of pauperism, and other questions in parish economics, which enter largely into the duties and attentions of the pastoral care. It besides formed the natural precursor to another lectureship which we have begun, on the methods and the machinery of Christian education.

And if not very hopeful of an instant acquiescence in our principles, far less do we look for the instant adoption of our practical suggestions. The urgencies of the country may perhaps speed onwards the commutation of tithes, and the measure of a universal education. The commutation of taxes into a territorial impost, will be the work of a later age; though we should rejoice even now, did we witness a commencement however humble, an approximation however slow, to this great political and economical reform.

May God of his infinite mercy grant, that whatever the coming changes in the state and history of these nations may be, they shall not be the result of a sweeping and headlong anarchy; but rather, in the pacific march of improvement, may they anticipate this tremendous evil, and avert it from our borders. There is a general impression upon all spirits, that something must be done. But to be done well, it must not be by the hand of violence, but by the authority of legitimate power under the guidance of principle; by a government having both the wisdom and righteousness to direct, and the strength to execute. Amid the conflicts and agitations of our social state, it will be the heart's desire of every Christian, the fondest prayer of every true patriot, that Religion and Reason may ever preside over the destinies of our beloved land.

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APPENDIX.

(A. page 41.)—*On the Rent of Land.*

It is a signal error in a recent theory of rent, that the difference of quality in soils is the efficient cause of it. The difference between the produce returned for the same labour from a superior soil, and from the one last entered upon, is but the measure, and not the cause of rent. Had there been no gradation of soils, but had all been of the same uniform fertility with any given land which now affords rent, that land would have afforded rent still, and the same rent which it does at present. That land may yield rent, all which is necessary is, that, with the price obtained for its produce, the occupier can more than pay the wages of the labour and the profits of the capital bestowed upon it. It is the overplus which constitutes the rent of this land; and which would have been paid though there had been no land inferior to itself in existence. In affirming that it is the existence of

this inferior land which originates the rent, there is a total misapprehension of what may be termed the real dynamics of the subject.

The process is this :—On land of a given quality, and anterior to its being rented, the produce, or its price, is shared between the workmen who laboured it, and the capitalist by whom it is occupied. But there are two reasons why this state of things might not be stationary—the one connected with the taste and choice of the workmen; the other, with the taste and choice of the capitalist. The workmen may be willing, rather than forego the pleasures of matrimony, to part with some other of their personal enjoyments, by entering soon upon this alliance; even though it should be so soon as that, through the medium of an increased population, they shall have at length to work for less wages than they might have otherwise preserved. And the capitalists may be willing, rather than forego the pleasures of accumulation, to part with some of their personal enjoyments, by sparing what they might have spent, and vesting the produce of their parsimony in business—even though, through the medium of an increased capital, they shall have to trade for less profit than they might otherwise have been able to sustain. Thus, the increase of capital, and the increase of population, are the real impellent causes, why the wages and profit, which wont to absorb the whole produce of land of a given quality, do not now absorb it. The competition between the labourers, now in greater num-

ber, on the one hand, and the more numerous or greater capitalists, on the other, is such, that less than the whole produce is now shared between them, and the difference, wherever land is appropriated, goes to rent. Farmers, in the existing state of profit, and wages, and cultivation, are willing to pay this rent, for leave to settle on a land which formerly paid none; and should it so happen, that there exists inferior land beside that which is rented, and whose produce is just less than that of the other by the difference of the rent, farmers will be equally willing to settle on this inferior land, paying no rent at all. But, most assuredly, it was not the existence of the inferior, which originated a rent for the superior soil. It is not because farmers had descended to a worse land, that they are willing to pay rent for a better—but because they were willing to pay rent for the better, if they could have got it, they descended to the worse. The existence of the worse land, so far from originating a rent upon the better, prevented it from rising so rapidly as it would have done—because it afforded an outlet for the excess of population and capital; and thus slackened, for a time, their competition on the better land. The real cause of the rent, is this more strenuous competition of labourers and capitalists, now more numerous than before; and this cause, assigned by Dr. Smith, ought not to be superseded, as if it were a distinct and different cause, by that which, in fact, is but a consequence from itself. This in-

version of the truth, has led to vicious conclusions in political economy; and, as is the effect of every false principle, it has mystified the science.

Rent is not a creation by the will of the landlords, but a creation by the collective will of the capitalists and labourers. Wherever there is property in land, it is the unavoidable result of the one class choosing to multiply, and the other choosing to accumulate, beyond the capacity of the higher soils to sustain them. It can only be done away with by the abolition of that property; or, in other words, by turning the country into a large common, and dissociating all the activities of individual interest and hope from the business of cultivation. Labour would cease to attach itself to any given portion of the territory, if there were no fence of property by which the fruits of this labour might be guarded. This property has been termed monopoly, and all the odium which attaches to monopoly has been cast upon its holders. But the truth is, that the landlords are altogether innocent of the rent, which has flowed in upon them *ab extra*, not at their own bidding, but at the bidding of those who complain of its oppressiveness. The employer of labour would have had his workmen at a higher wage; but another stepped forward and implored to be taken in at a lower wage, who, if refused, would have been in fact the more aggrieved sufferer, or at least the more helpless outcast of the two. The owner of the land would have let his farm at a lower rent; but, in the im-

portunity of capitalists, higher rents were offered; and he, by refusing these, would in fact have disappointed the most eager among the competitors. The landlord is passive under this operation. He is the subject, and not the agent in it. The primary and the moving forces lie with the labourers on the one hand, and with the capitalists on the other; the former, through the medium of an increased population, having brought on a lower wage than otherwise, by a necessity as irreversible as any law of nature; and the latter, through the medium of an increased capital, having, by the same necessity brought on a lower profit than otherwise. The difference goes to rent. The complainers of it are themselves the makers of it. That the origination of rent should be rightly understood, is a thing of far mightier interest to the commonwealth, than the mere intellectual comprehension of a process. It is an incalculable loss to the working classes, when the real cause of their sufferings is misconceived. It bewilders the friends of humanity from the path of amelioration. And, besides, it provokes a thousand undeserved antipathies—being the fruitful cause of those many heart-burnings and jealousies by which society is so grievously distempered.

Rent is inseparable from property in land, and can only be abolished by all the fences and landmarks of property being swept away from our borders. The effect would be as instant as inevitable. The cultivation of the fields would be abandoned.

The population would be broken up into straggling bands,—each prowling in quest of a share in the remaining subsistence for themselves; and, in the mutual contests of rapacity, they would anticipate, by deaths of violence, those still crueller deaths that would ensue in the fearful destitution which awaited them. Yet many would be left whom the sword had spared, but whom famine would not spare—that overwhelming calamity under which a whole nation might ultimately disappear. But a few miserable survivors would dispute the spontaneous fruits of the earth with the beasts of the field, who now multiplied and overran that land which had been desolated of its people. And so by a series, every step of which was marked with increasing wretchedness, the transition would at length be made to a thinly-scattered tribe of hunters, on what before had been a peopled territory of industrious and cultivated men. Thus, on the abolition of this single law, the fairest and most civilized region of the globe, which at present sustains its millions of families, out of a fertility that now waves over its cultivated, because its appropriated acres, would, on the simple tie of appropriation being broken, lapse in a very few years into a frightful solitude, or, if not bereft of humanity altogether, would at last become as desolate and dreary as a North American wilderness.

We may here advert to a distinction between the produce of agriculture, and that of manufactures; or, as some would say, of all other manu-

factures than the manufacture of food. We think that it will go far to explain the peculiarity of rent, and repel at once the imputations which have been grounded thereupon, both against land and against landlords.

To assimilate the two, and confound all distinction between them, it is said that land is as much a machine, and the preparation of food as much a manufacture, as are the machines and the preparations of any other commodity. Now, without objecting to this, as being a thing of mere nomenclature, there remains one important reality by which to distinguish them. Food is the first necessary; other commodities are but second necessities, or the luxuries of life. The increase of food will surely be followed up by an increase of population. The increase of luxuries or even of second necessities, will not always, will not necessarily be so followed up. Should corn become permanently more abundant than before, it would in the first instance fall in price; and a fall in such a large and essential branch of family expenditure, would, by translating men so much sooner into circumstances of ease and plenty, multiply and hasten on the marriages of labourers. A fall in the price of mere luxuries, such as carpets or pictures or expensive wines, would have no such effect: and even a fall in the price of second necessities, as of stockings for example, would have scarcely any effect, excepting through the medium of agriculture, and by its influence on cultivation

in the way that we have already explained.* This is the reason why food cannot permanently remain as a drug in the market. It in fact creates a market for itself, which other manufactures do not. The peculiarity of the former commodity lies here, that though its supply may be overdone for a year or two, it cannot be overdone permanently, because there is a virtue in the commodity to extend, and that indefinitely, the demand for itself; so that, let the supply be kept up and augmented as it may, there will, in the necessity of things, spring up an equivalent demand by which to uphold its price in the market. The same thing cannot be said of other manufactured commodities—not even of second necessaries. The supply of shoes may be overdone year after year, greatly beyond the number of feet that wear them; because there is almost nothing in the mere production of these shoes to multiply the feet. But the supply of loaves cannot be so overdone year after year, because greatly beyond the number of mouths to eat them; for there is every thing in the production and increase of these loaves to multiply the mouths. It is true, that on that event the feet will be multiplied too; and with the increase of demand for food, there will also be an increase of demand for other things, or the products of other manufactures. But these manufactures have to wait the progress of agriculture, which itself has to wait for nothing but the development of its own energies

* Chap. I. Sect. 9.

and means. Agriculture has the command of both the terms which enter into the determination of price—immediately of the supply, and mediately, while rapidly, of the demand. Manufactures have but the command of one term; and they, by out-doing its progress, are exposed to the perpetual check of gluts, and bankruptcies, and losing speculations.

Now the rent of land is ascribed by Ricárdo and others, to a blemish, whereof air and water are altogether free, and which, in consequence, yield no rent. In land there is a descending gradation in the quality of its soils; and the last of these which has been reclaimed, and which is the least fitted for the production of food, is alleged to be the cause of rent upon all the rest. But there is no such descending gradation in the quality of air; no difference, for example, in the strength of its atmospherical pressure at different places, if on the same level, so as to make it more powerful at one place than another for giving impulse to machinery. And hence, according to the advocates of the new theory, there is no air rent. But the great, and indeed only efficient principle of rent is here overlooked. It is very true, that if, within the limits of some square miles on the earth's surface, there were air of ten-fold property and power, then, all circumstances being equal, it would afford rent to the proprietors of such a small and favoured territory; and just because all the manufactured commodities that could be produced within limits so

narrow, did not satisfy the actual demand for them. But grant a certain definite number of these square miles, along with a right local disposition of them, and rent would cease altogether, whatever the descending gradation was in the qualities of the remaining atmosphere. The truth is, that the demand for such commodities as are wrought off through the instrumentality of steam engines, is limited by the actual numbers of mankind; and, by means of a very few square miles of the requisite atmospherical pressure, the world could be supersaturated with these commodities; so that all the air over and above this, whether of equal or inferior quality to the former, would lie a useless drug in the hands of those who should seek a rent for the use of it. Whereas, not only is the demand for those commodities which are produced by farms, or land machines, enlarged with every eventual increase in the numbers of mankind, but every addition to these commodities creates an addition to the numbers. The existence of a land, and the non-existence of an air rent, cannot, with propriety, be referred to any difference between the two elements in respect of the gradation of their qualities. The difference is altogether resolvable into the nature or virtue of their respective products: the one of limited demand, being straitened within boundaries which itself cannot enlarge; the other widening the boundaries of its demand, and in the very proportion too of every new addition which is made to its own quantity. The simple cause of

a land rent is, that the best farms, or the best machines for the manufacture of food, work off an excess of this commodity, over and above that share which the capitalists and labourers employed about it choose to put up with for themselves. That they should so choose, is owing to the competition of other capitalists and other labourers, whom the agriculture itself may be said to have brought into existence, and all of whom would be willing to occupy the best machines for the same share, leaving the excess to go in shape of rent to their proprietors. And they of course would be equally willing to be put into occupation of the inferior machines at inferior rents, or of the worst machine that can be wrought with a profit at no rent at all. Rent is not owing to a blemish, but to a superiority in land machines over all others. They, in the first instance, can do what the others cannot; not only satisfy the actual demand of present customers for their produce, but, by every addition to this produce, can proportionally add to the number of their customers. And the vast majority of them can do what the other species of machines do not—they can work off a greater amount of their own appropriate commodity, than will remunerate the capital and labour bestowed upon them; and thus leave a surplus, by which the industry is upheld that works off a thousand blessings to society.

It would remove the blemish ascribed to the great instrument for the preparation of food by

our mercantile economists, (who have overlooked altogether the distinction, in point of virtue and effect, between the products of agriculture and those of manufactures,) could the business of the two, so unlike in their products, be likened in their processes. It is conceivable, that materials for the sustenance of human life could have been extracted, without let or limitation, by chemical manufacture, as by some treatment of decomposition and recombination, for example, on the air which we breathe; and that the food of a differently constituted species could have been manufactured this way, in such abundance, that it would more than suffice for the alimentering of as many creatures, as the earth could accommodate with room to stand upon. This were an economy of things more suited to the taste of those who have cast reproach upon land, because of its limited capacities; and it were curious to trace the effects of it. The whole of the accessible atmosphere would come, in the course of population, to be engrossed; and then, if the air were appropriated, though with no gradation in its qualities, all that would be necessary for an air rent, were, that the food produced more than sustained the producers, and so afforded an excess that would go in the shape of revenue to its owners, and be expended by them on a disposable class of labourers. There would still be an air rent as at present. In this respect there would be no change; but there would be another and very important change, were the supposition realized of an indefinite capability in

human art, for the support of an indefinite population. Should it be absolutely and altogether without limits, the effect, however undeniable, is so very extraordinary, that we are almost afraid to mention it. There is a certain point, beyond which, if human beings were multiplied, a serious inconvenience must be felt, from the mere crowding and compression of their excessive numbers. This is obvious enough, should it take place within the limits of any separate locality; but it would be as surely and severely felt, if, in virtue of a production of food *ad libitum*, it did take place over the whole surface of the globe. The human species would then become as sordid and miserable, as those maggots appear to be who swarm on some mass of hideous putrefaction. The herrings that accumulate and condense in the western bays of our island, are said to push the outskirts of their shoal upon the beach. And better surely that there should be such a limitation in the powers of the land, and such an utter impotency in human art to multiply beyond a certain point the means of subsistence, than that the great human shoal should be protruded at its extreme margin into the sea, and serve for food to the fishes there waiting to devour them. Rather than that this goodly earth of ours should be turned into a human ant-hill, is it better for man that he should have uncumbered fields—that he should have open and spacious solitudes to which he might make occasional escape from its more crowded receptacles, and might, on the am-

ple domain of nature, company with nature's elements, and inhale their freshness. It is no interest, and ought to be no care of his, that the terrestrial space on which he walks, should be so over-peopled; or that, for the mere sake of numbers, human beings should multiply to suffocation. The number of His derived and dependent family, is the care of Him who sitteth on high—and most nobly hath He provided for it. He who hath the command of infinity, hath enriched its mighty tracts with innumerable worlds; and, without overburdening the one we occupy, He finds accommodation and space for the innumerable myriads of creation. Better far, than that, from the vomitories of human mechanism, there should go forth indefinite subsistence for indefinite multitudes—better far, that this should have its fixed and impassable limits; and that men, with the glorious arch of heaven above their heads, and with an ample platform beneath them, should walk forth in largeness and liberty, the privileged denizens of nature.

There is an optimism in the actual constitution of the land, as in every thing else that has proceeded from the hand of the Almighty. Had its fertility been limited to the maintenance of agrarian and secondary labourers, we should have had no disposable population; and neither science nor civilization would have arisen, to bless and to adorn the companionships of men. Had its fertility been unlimited, or could the powers of human art have extracted, without measure, the necessaries of life

from any quarter of nature, the species would have lived in greater sordidness and misery still, on an earth laden by its wretched, because its overcrowded generations.

(B. page 74.)—*On Machinery.*

The impression against machinery has in it somewhat of the same subtile delusion which we have attempted to expose in the text. There is blended with it the imagination, that employment is creative of something else beside its own products. For the apprehension of many, and that not confined to the immediate sufferers, is, that, with the introduction of every new method for abridging or superseding labour, there is the disappearance, not for a time only, but the permanent disappearance, of a resource to the labouring classes. The idea of their maintenance is strongly bound up with their occupation; and that, however remote, as in the case of buckle-makers, the product of their industry is from the materials of their food,—just as if, because buckles were to be no longer fabricated, the bread, that went to sustain the fabricators, was to be no longer forthcoming; or as if the effect of such transitions was any other than merely to change the direction of industry, without impairing, in the least, those stores of human aliment,

by which as great a number of industrious was sure to be upheld in circumstances of as great sufficiency as ever.

We dispute not the evils, though but the temporary evils, that result from those transitions of employment which are caused by machinery. They form a strong claim on the aid and tenderness of the benevolent, when families, in large masses, are, for a period, thrown out of employment; and what were still more healthful, they form a strong call on the manufacturing class of labourers more particularly, to cultivate those providential habits, by which, in virtue of their accumulations, they might be enabled to weather the seasons of suspension and change, to which every people of mechanic and highly artificial industry are so peculiarly exposed. Nothing is more to be deprecated among a people so peculiarly circumstanced, than those institutions which discharge them from the care of themselves, and from all prospective regard to their own necessities—the consequence of which is, that they are perpetually kept on the brink of destitution; and so are landed, in total helplessness, on those occasions when, either by a depression in trade, or by an abandonment of old methods of industry, thousands are reduced to a state of temporary idleness.

The vindication of machinery from the charge of its adverse influence on the comforts of the poor, has been made to rest upon different grounds. It is not the true vindication, that the making of

the machines opens so great a source of employment, that the making and working of them together, take up as many hands as did the making of the commodities without the machines; for, in this case, there would be no abridgment of labour, and no advantage to master-manufacturers in setting up the machinery. And it is not a sufficient vindication, that, when an article is cheapened by machinery, the demand for it is so much enlarged, as still, in spite of the abridgment in labour, to require as many, if not more, labourers for its preparation as before;* for this, though true of many, perhaps of most trades, is not true of all. The ultimate and substantial vindication is, that, however the demand may vary or be lessened for particular kinds of work, the fund, out of which the wages come, is left unimpaired. The maintenance abides with us, whether the counterpart employment abides with us or not; and we may be very sure, that this maintenance will continue to be discharged on labourers, if not for the very work, at least for some kind of work or other. The distress and inconvenience of the change are evils; but they are the only evils.

Machinery does not impair the fund out of which industry is supported—neither does it lessen the amount of industry, but only alters the distribution of it, and makes it more productive than before.

* This is the chief argument, very strikingly illustrated, of an admirable little treatise which has appeared lately, entitled, "The Working Man's Companion."

In manufactures, the same quantity of a given article is furnished with less labour—but I continue to employ and support the same labour as before, either by extending my use of that article, or by allotting the sum which its now greater cheapness has left in my hands to the purchase of some other accommodations. The war against machinery, is a war against human enjoyments.

In agriculture, it is also the effect of machinery to have the same work accomplished with fewer hands. And this, as before, does not diminish the population, but only changes the distribution of them. It may transfer so many from the agricultural, to the disposable class. If fewer farm-labourers are required than before, proportionally to this, a larger surplus-produce will go to the landlord than before; for, just as the consumpt or expense on the farm is lessened, rent will be increased. These two effects meet and correspond—the augmentation of rent, with the augmentation in the number of the third class of labourers. One of the most important effects of agricultural improvement is, that it enlarges the disposable population.

But machinery, both in agriculture and manufactures, is attended with another effect of a still more vital character, and one on which most essentially depend the general comfort and sufficiency of our existing generation of labourers. We have already demonstrated, that the limit of cultivation is pushed forward by every invention which makes the labour of workmen, either in the agricultural

or secondary classes, more effective than before. If, in virtue of certain machinery, all that enters into the maintenance of an ordinary labourer, can be prepared by fewer hands than formerly; this opens the way to a descent among poorer soils than formerly: and the more perfect such machinery is, the greater is the length to which agriculture is extended. Now, to that extreme limit the population have multiplied; and from that limit must the agriculture again recede, if such machinery shall be forcibly put down. It will affect the general supply of the population with food, just as a permanent visitation of blight or barrenness would; so that the vindication of machinery stands on much higher ground than merely its subservience to the enjoyments of the wealthy. It will re-act most calamitously on the very classes who are most outrageous in this cause—it will stint the supply of first necessaries,—if, in terror or subjection to the tyranny of the multitude, either our farming or manufacturing capitalists shall be forced to discontinue their machines and implements of labour.*

And the reflection here occurs, that in proportion to the high and artificial state of improvement which any country has reached, will the distress be; should law, and security, and social order, in that country, from whatever cause, whether by invasion

* The thrashing machine, beside helping down the agriculture to inferior soils, has a still more direct influence on the supply of food, by the more entire separation which it effects of the grain from the straw.

from without or by anarchy from within, come to be suspended. With every step in the progress of such improvement, has there been an onward step in the cultivation of the soil; till, corresponding to its high-wrought and extreme husbandry, the land has been filled with an extreme population. But without the utmost protection and deference to the rights of property, and confidence in distant returns on the outlays of capital, and safety from that violence which never comes in a shape so formidable to the resources of the nation, as when directed against the apparatus of our farms—such a high style of husbandry cannot possibly be upholden. The effect will be most tremendous; and far more severe than in a land of coarser husbandry, which in its days of peace has not been elaborated forward to its extreme resources, and so, in its days of warfare or misrule, will not be thrown backward upon that extreme necessity, to which every territory that is at once fully cultivated and fully peopled, would, in these circumstances, be most certainly exposed. This consideration should operate powerfully at present, in the fearful conflict that is now at work between the two elements of liberty and order. Were there to be a season of insurrectionary violence in these islands, we believe, on the principle which we have just stated, that England would suffer more than Ireland; and that, in point of intense and intolerable wretchedness throughout its families, it might then be said, “There has been no such distress in any land, or

such wrath upon any people." Amid the contests of partizanship, the high and great principle should never be lost sight of on either side; that, in the preservation of justice, and authority, and good government, no country in the world has so mighty a stake as our own; and that, even by the partial relaxation, but still more by the subversion of these, will the comfort of no other people, and the prosperity of no other land, experience so calamitous an overthrow.

(C. pages 104, 150.)—*On Home Colonization.*

There are very few countries which do not present large tracts of land, on which the experiment of home colonization may be tried. The question then is, Why are they at present unoccupied? There can be no doubt, that in such a country of law, and security, and enterprise as our own, they would have been cultivated, could they, at the existing rate of profit, have remunerated the farmers. This is an object which may, with all safety, be left to the guidance of personal interest, and to the sharp-sighted intelligence of men calculating and scheming for their own individual advantage. It is not the want of capital which accounts for the non-cultivation of land in any country teeming with capital like our own; but an apprehension, either

on the part of occupiers or of money-lenders, that if capital were embarked on the cultivation, it would not be returned with an adequate profit, and perhaps even be lost partially or altogether. And if individuals would find it a losing speculation, we have no reason to believe that corporations, still less the largest corporation of all, the government, would find it a safe one. We may rest assured, that, down to such land as will barely remunerate the outlay and expenses of its cultivation, the capital in the hands of individuals has not only reached this limit, but is pressing upon it closely, and is even wasting itself on vain attempts to pass beyond it. And so we may safely assume, that in any old country, which has long been in favourable circumstances of peace, and civilization, and order, for the development of its natural resources, if land hitherto uncultivated has been pitched upon for the purpose of home colonization, it is land of a lower fertility than what can repay the expenses of its own husbandry with a fair profit to the cultivator.

But passing over the element of profit, which forms but an inconsiderable fraction of the whole return, it may be said of the soil which is entered by home colonization, that it is not able to feed its agricultural labourers with their secondaries; and that, therefore, a full complement of labourers cannot be applied to such land, without a lessening of the disposable population. Not but that, in country parishes, a sufficient, an overflowing number

of agrarian workmen might be had for the enterprise; but, supported as it must be by a tax, the produce of which formerly went to the purchase of luxuries, there of consequence must eventually be so many of the disposable population thrown out of employment. Still, in spite of this circumstance, there would be a relief afforded upon the whole by such a measure, to the general pressure under which the community laboured from the excess of its own numbers. For the disposable labourers thrown out of employment would form but a fraction, and in the first instance it might be a small fraction, of the whole number enlisted in the undertaking. If the land they began with, yielded subsistence for nine-tenths of the essential labourers connected with it; then, on the supposition of a hundred men being employed, only ten would need to be transferred from the disposable class to the agricultural or secondary; and the return yielded, would form a clear addition, in the food of ninety labourers, to the previous means of subsistence in the land. This number of idlers would be translated, not into what can rightly be termed profitable employment, but into employment, that, with the help of a tax providing for one-tenth of their maintenance, enables them to make out and complete the whole of it. The advantage of such a scheme over that of all other charity-work, is quite obvious. The forcing of a manufacture beyond its natural limit, produces no food; and by edging in, as it were, to a share of the pre-existent food,

so many of the superfluous population, it but condemns the whole population, each to a scantier portion than before. The forcing of agriculture beyond its natural limit, does create a clear addition, to the food of the country; and if carried to a great extent, it may for a season, and before the population have had time to overtake it, yield, in the cheapening of the first necessaries of life, a sensible relief to the community at large.

This holds forth an inviting outset for the scheme; but it is well to mark its progress, and, if indefinitely carried forward, the final result of it. Once the natural limit is broken, and the *deficient* soils are entered on, the cultivation cannot proceed downwards, but by an increasing tax on the wealthy, and larger and larger drafts on the disposable population. At each successive descent, a temporary relief may be experienced; but with the same recklessness and relaxation of habit on the part of labourers, the pressure of a redundancy in our numbers will ever and anon recur with the same intensity and feeling of straitness as before. We should at length touch on the ultimate and impassable boundary of such a process, when, for the purpose of withholding it, the wealthy had to be taxed till they were reduced to the necessaries of life, and the last man of the disposable population to be withdrawn, in order to make out the requisite labour on the last, and therefore most deficient soils which had been entered on. We should then be landed in a more populous nation, yet not have a

single disposable individual within its confines. Each would labour for his own essential maintenance; and all the interest or enjoyment connected with the services of a disposable population, behoved to be abandoned. This is what may be termed the extreme possibility of the system; but it would never be realized. It would surely break up, and that long anterior to such a consummation. Landlords, subject to an indefinite and ever-growing taxation, would at length cease to feel an interest in the administration of their own property. They would not continue to be the receivers of rents, when this was so nearly tantamount to being the mere organs of transmission, through whom the surplus produce of the superior, found its way to the deficient soils, and was there absorbed in the expenses of a profitless and ungrateful cultivation. It is fearful to contemplate the issues, after that property had thus been undermined, and the ancient ties had been dissevered which connected the soil with its original possessors. The occupiers of the barren, might then turn in fierceness to the occupiers of the fertile land, on the wonted channel of conveyance in the person of the landlord having at length given way. A lax sense, or an imperfect arrangement of property, in a country yet but thinly inhabited, and of unbroken capabilities, is still so prolific of disorder, as to verify the maxim, that a state of nature is a state of war; but this disorder must be thickened and aggravated ten-fold, should the same dissolution take place in

a country of teeming population, and whose very deserts now swarmed with a host of colonized paupers that had overflowed the natural limits of the agriculture. In the scramble that ensues, we shall perhaps have to witness another of those dread calamities which may be awaiting us, and which we fear nothing will avert, but a timely moral and Christian education of the people, along with the gradual abandonment of certain inveterate errors which have been suffered to distemper the social economy of our land.

Such being the natural out-goings of the system of home colonization, this alternative should be carefully weighed at the commencement of it— Whether it is better that the people should, by a right preventive check on their own number, have room and sufficiency within the natural limit of the agriculture, or should be encouraged to multiply beyond that limit by a scheme, the proposal of which has met with great acceptance from many patriots and philanthropists in our day? It is utterly a vain hope, that we shall ever, by means of such settlements, escape from the pressure of a redundant population; and a momentary slackening of the pressure is the most that we can expect from it. And this descent among the deficient soils to make room for a surplus population, is sure to be accompanied by a descent in the circumstances of the general population. The very circumstance of the soils being deficient, implies the necessity of a charitable intervention, in order

to complete the maintenance of those who are there colonized. But, generally speaking, when the hand of charity is stretched forth, and more especially in behalf of a whole multitude, it is not for the purpose of upholding them in that state of average sufficiency which obtains among labourers, but only for the purpose of saving them from starvation; not to keep them in comfort, but to keep them in existence. These home colonists, if the system be carried to any sensible extent, will not be on the footing of independant labourers earning a respectable wage, but on the footing rather of paupers, or the dependants of a vestry, who have their supplementary allowances doled out to them, with that niggardly reluctance which usually marks the proceedings of an organized system of relief. Here then we have a population encouraged and virtually called into being, who are constrained by their situation to live beneath the par of human comfort and subsistence, and whose very presence in the land will act as an incubus with overhanging pressure on the general condition of our peasantry. They form a body of reserve, from whom masters may indefinitely draw, in every question of wages between themselves and their servants; and by means of whom, therefore, they can, as in a market overstocked with labour, bring down indefinitely its remuneration. We hold then, in addition to every other evil of the system, that, once it is entered on and continues to be extended, the working classes will be sealed thereby to irrecoverable degradation.

It is at its outset, then, that every enlightened philanthropist should take his stand ; and at once proclaim, that nothing will serve the exigencies of a land brought to such extremity as this, but a vigorous application of moral causes. We hold it as being of inestimable benefit to all the classes of society, that cultivation should stop with the last land which yields a profit to the farmer, after having fed both its direct and secondary labourers. The momentous question is, Shall we step beyond this limit, or keep within it? By the former, we enter on a headlong process of degradation, through which we obtain, no doubt, a larger, but withal a more wretched peasantry. By the latter, we restrict ourselves to a smaller produce, and a smaller population, keeping the disposable class entire ; but leaving it possible, by indefinite moral and literary cultivation, indefinitely to raise the comfort and condition of all the classes. There is a beautiful harmony here, between the interest of the landed proprietors and the interest of the general community. Landlords, on the one hand, would be left in full possession of their rents, and in full command of the disposable population. The general population, on the other, would be retained within the boundaries of a soil, fully able, even at its worst extreme, to maintain the families who laboured it. It is a big alternative ; and the most opposite results are suspended on it. Either the population would be restrained within the natural limits of the agriculture, and might be raised by

moral culture into higher and higher states of sufficiency; in which case the rent of landlords would be kept up, or if encroached on at all, (and we should rejoice in such an encroachment,) it would be by the higher wage of a now improved and independent peasantry. Or this rent would be wrested from them by the necessities of a pauper peasantry; in which case there would, along with a letting down of the revenue of the landlords, be a letting forth of the population on deficient soils; and so, a landing both of the higher and lower classes of society in one common degradation.

This process is as good as already entered upon in England. The pauperism of that country may be regarded, in certain of its modifications, as a method of home colonization in disguise. In as far as the wages are paid out of the poor's rate, in so far may the farmer be induced to bring down his agriculture among soils that cannot repay the natural expenses of their husbandry. Of course, he cannot afford to do this without paying a less rent to the landlord than he could have otherwise afforded; and indeed, in many districts of England where the redundancy of people has been most severely felt, there has been a partial remission of the rent, for the express purpose of enabling the farmer to take the parochial applicants into employment. The work of his farm may by this time have been fully engrossed up to the limit of that agriculture which can remunerate itself. But

better it is to have a partial return from the labour of these supernumeraries, than no return at all. Better keep them in employment, though it should yield but a fraction of their maintenance, than keep them in total idleness. Now this is the virtual commencement of a scheme of home colonization, and offers indeed a distinct exemplification of its several parts and consequences. The people who are thus admitted to country labour, can only find occupancy among those extremes of cultivation, where the additional produce is unable to maintain the additional men who have forced themselves into service. They cannot raise enough for their own support, to complete which, rents are encroached upon; or, in other words, an agrarian population is multiplied and upheld at the expense of the fund for the support of the disposable population. From this quarter then, from towns where employment will languish, may we expect an additional invasion on the already over-peopled land; and therefore upon that part of it which lies beyond the natural limit of cultivation. It is fearful to contemplate the result, if the present system of England shall be longer persevered in. There is nothing more likely to bring on a crisis, than this unnatural accumulation of people; and nothing more certain to aggravate its miseries and horrors, when it shall come to be realized. If, during a period of turbulence and disorder, the agriculture shall be at all relaxed, (and what more likely from the loosened and lessened interest of the adminis-

trators of landed property, in estates that become every year less valuable and more vexatious to them?) or if, during the same period, the now artificial economy of parish management shall be suspended, so that either the produce shall be diminished, or the existing distribution of it shall be deranged—we cannot imagine a more fearful perspective than the famine, and the mutual ferocity, and all the evils of anarchy, which will then be let loose upon our suffering families. There are clearly elements at work towards such a consummation; and far more imperative therefore, than the necessity for a reform in the politics, is the urgent necessity for a reform in the economics of England. The one opens a much higher walk than the other for the wisdom and benevolence of true patriotism. In younger countries there may, by an enlargement of means to the population, be a comparative ease and tranquillity for centuries to come. In a country, brought as ours near to the uttermost verge of its resources, the only effectual and lasting remedy is to check the advances of the population upon the means. And nothing, we repeat, is competent to such an effect, but a gradual abolition of the poor's laws, along with the instant and vigorous application of moral causes. Village schools, and well-served churches, and zealous parish ministrations, and a universal system of popular education, into which the lessons of the gospel of Jesus Christ largely and pervadingly enter,—these form the main elements or means of our nation's peace, and our nation's greatness.

(D. page 130.)—*On the National Debt.*

There is one conclusion from the argument in the text, which appears to us inevitable; and which, paradoxical as it may appear, we hold to be amply borne out both by reason and experience.* We can perceive no flaw in the deduction, should it only be granted that the capital displaced from business by loans is repaired, not by the parsimony of capitalists, but by the privation of customers—an inference that comes direct from the most elementary principles in political economy; and which is abundantly countenanced by the phenomena, both of the high profit that takes place in seasons of borrowing, as indicated by the low price of stocks, and by the obvious resuscitation of the withdrawn capital which must take place every year, as indicated by the unimpaired sufficiency of capital for all mercantile and agricultural concerns.

The views, then, presented in the text, on the subject of capital, have suggested to us the following important practical inference, in regard to the policy of the funding system.

* We subjoined the greater part of this argument some years ago to a former work, entitled, "The Christian and Civic Economy of Large Towns;" but the extraordinary nature of the conclusion, and its immense practical importance, if true, as being decisive, we would not only say of the vital impolicy, but of the prodigious infatuation, nay, insanity, of the funding system, have led us to insert it in this place.

The sum borrowed by government is withdrawn from commerce and manufactures, and must, to the extent of its power in producing commodities, and bringing them to market, lessen the supply of these commodities.

The price of these commodities rises in consequence, and to such a degree, too, that the sum will be replaced; so that, in the course of a little time, the capital, restored to what it was by the operation of the now higher profit, will be as fully commensurate to the business of the country as before, when profits will again sink to their wonted level.

But, should the same sum be borrowed next year, the same deficiency of capital will occasion another year of deficient supply, and of those consequent higher prices and profits which are the unavoidable result of it. The deficiency will again be filled up as before; and it will not be for the want of a capital to borrow from, that government shall be arrested in this career, however much it may feel itself arrested by the insufficiency of the taxes necessary to defray the interest of the increasing debt.

There might, however, be successive yearly borrowings for a considerable time; and in this way, government has provided itself with means, over and above its annual revenue, for defraying the expense of our lengthened wars. If there be truth in our reasoning on the subject of capital, this will continue to act upon prices and profits just as long

as the practice of borrowing lasts. There will be as great a sum replaced every year, as shall both uphold the capital that is actually vested in business, and, over and above this, shall afford to government a loan, equal to that of the preceding year. But should the loan not be wanted, should the sum that government went to absorb in this way not find its usual investiture, it will seek an investiture in trade. It will, in fact, restore the trading and manufacturing capital to the state in which it would have been, had government not made these yearly abstractions from it; and, with the now larger capital, there will be a fall of prices and profits.

The important deduction to be made from this argument is, that when government defrays any of its expenses by borrowing, it does so by a method which is doubly more burdensome to the country, than when it defrays the expense by taxes raised within the year.

Should government borrow twenty millions for the exigencies of the current year, there are, in that year, twenty millions' worth less of commodities brought to the general market than there would otherwise have been. But there is nothing in this transaction between government and so many of the capitalists of the nation, that can affect either the power or the inclination of buyers to purchase. There is as effective a demand as before, but a diminished supply—the same expenditure on the part of customers, but, on the whole, twenty millions' worth less of enjoyment in return for it.

Had government, instead of borrowing, raised the twenty millions by additional taxes, the community, no doubt, would have had twenty millions less to spend; but they would not have had the high prices to encounter, which are consequent on those abstractions of capital produced by government-loans. It is quite the same thing, whether the community shall go to market with the usual amount of money for purchases, but with prices raised to the extent of twenty millions; or shall go to market with twenty millions less of money, but with the usual prices. In either way, it suffers the loss of twenty millions' worth of enjoyment; or, in other words, it suffers no greater loss by being taxed to the extent of twenty millions, than it does by this sum being borrowed from the money-holders or capitalists of the land.

Under the borrowing system, the public are subjected, through the medium of higher prices, to the expense of repairing deficiencies, occasioned by government-loans, in the capital of the nation. The public could as easily, through the medium of higher taxes, have yielded, direct to government, the whole amount of the sums borrowed. The ability, on the part of the nation, to keep up the capital, in spite of the repeated drafts made upon it by borrowing, indicates the same ability to withstand equal drafts, if made upon it by immediate taxation. The whole sum borrowed for any year, though primarily and ostensibly raised from the money-holders, is, in fact, raised from the public—

and raised, too, *within the year*. The burden could have been as easily borne, if the whole sum borrowed had been raised within the year by a direct levy. It makes no real difference, whether bereft of a given amount of enjoyment by means of higher prices or higher taxes.

It is thus that the national debt has all been virtually paid once, and yet remains to be paid over again—paid, in the first instance, as it was contracted, by the high prices consequent on a deficient capital; and to be paid, in the second instance, to the actual creditors, either by a liquidation of the principal, or by a perpetual interest.

The hardship on the nation would not have been greater, though all the money borrowed had been raised by taxation, than the hardship actually borne *at the time* when the loans were contracted. And there is not a period of our by-gone history, even though the years of profusest expenditure should be fixed upon, in which we were not just as able to render, in additional taxes, all the sums that were raised by borrowing, as we were able to support the augmented prices consequent upon the loans; and by which, in fact, the whole amount of these loans was drawn from the community, to repair the abstractions which had been made upon the capital.

The difference, then, between the system of raising money by loans, and that of providing for all the expenses by taxation, is that, while in both ways the same pressure is made *at the time* on the

comfort of families, in the former way there is the formation and growth of a great national mortgage, which remains to oppress and enfeeble the country. In either way, the state may obtain exactly the same supplies; but, in the former way, it obtains them at a double expense to the nation. The present burden is just as heavy in the one way as in the other; over and above which, there is a prospective burden equal to the present, which the system of borrowing leaves behind it.

Notwithstanding, however, loans are more popular than taxes, and just because their double mischief is disguised. The people do not feel that government are taking the money out of their pockets by borrowing, though this is virtually done, and at the time too, in the shape of higher prices, if not in the shape of higher taxes. They think that a loan only entails a distant calamity, although the full weight of it is felt in a present calamity. But this is not perceived, and blindness reconciles them to a sore infatuation.

To conclude, then; the whole sum wanted for the service of the year should be raised by taxation, and the expedient of a loan should never be resorted to. Besides the economic argument for this policy, which appears to us irresistible, we hold the very unpopularity of it to be an additional recommendation. It would restrain the public appetite for war. Government would not enter so readily upon any rash or wanton undertaking, if the whole expense of it were not only

actually felt, but consciously felt in taxes palpably imposed for the purpose of defraying it. A more cautious and pacific spirit would thenceforth actuate the councils of the nation.

Mr. Tooke, in his able disquisition upon high and low prices, seems not to have fully adverted to the distinction in point of effect, between a war expenditure that is defrayed wholly by taxes, and a war expenditure that is defrayed partly by loans. He is right in asserting, that the money which is in the hands of capitalists, is as much spent as would be the same money in the hands of government; and that, therefore, when transferred from the one to the other, there is no greater demand thereby created to bear on the general market, and so to raise prices. But it should be considered, that though such a transference gives rise to no greater demand, it gives rise to a less supply; and that this will raise prices just as effectually. The twenty millions borrowed by government from so many of our capitalists, might all have been spent by the latter, within the year, in the outlays of their business; and so have told as effectually on general prices, as the same sum spent by government. But the borrowing has caused a cessation of this business, insomuch that there are twenty millions' worth less of commodities brought to market, for the supply of the families of the land. Meanwhile, their demand for these commodities is the same, and the money which they bring to purchase them is the same; and so the price rises to such a degree, that

they must be satisfied with twenty millions' worth less of comforts than they would have had, had no such borrowing taken place. It would have been no greater hardship on the community, if, taxed to the extent of the whole loan, they had gone with twenty millions less of money to market, when the prices were not exposed to the influence of the borrowing system in raising them.

That profits are raised by the government loans, seems palpably enough indicated by the effect of these loans on the price of stocks. It is not any apprehension for the security of government, that can account for the whole depression of the funds, at the period of large and frequent loans to meet the exigencies of a war. It arises in great part from the drafts which are made on the capital of the nation, and from the necessary effect which the consequent diminished supply has upon prices and profits. The descent from 90 to 50 in the 3 per cent. consols, during a great part of the French wars, argues a high rate of profit throughout the whole of that period. So long as it lasted, the community were exposed to all the higher prices for the various articles of comfort; and we have no doubt, that, by this difference of price alone, the whole sums borrowed, enormous as they were, actually passed from their hands to replace the deficiencies of the capital. The sum of five hundred millions, then added to our national debt, was paid away by the people in higher prices; and better far it would have been, if, instead of this, it had

been paid away by them in higher taxes. It was actually paid, yet still remains an incubus upon the nation.

And the conclusion is not essentially different, although the supplies of government should be raised, in the first instance, by the pure operation of credit, rather than by actual borrowing. Suppose, for example, that a sum so large as twenty millions should be raised within the year, in the shape of exchequer bills. There is, in this case, no abstraction of monied capital from any department of business, and therefore no raising of general prices from this cause. But there is an increase of prices, and to the same extent of twenty millions too, by another cause; that is, if not by a diminution of the money that formerly went to the side of production, at least by an increase of the money that now goes to the side of demand. The truth is, that, by the device in question, no less than an additional twenty millions are brought to bear on an aggregate produce of the same pecuniary cost as before. Through the currency and reception of these bills, a given cost of produce meets with twenty millions more in the market than it otherwise would have done, and average or general prices rise to that amount. Government brings the whole force of this extra competition to raise the price of that which cost but the same as formerly; and the effect of this extravagance on its part, is precisely the same with that of a similar extravagance on the part of landlords, who may

be conceived to spend collectively, in one year, twenty millions more than their income. There is a consequent rise of prices to this amount, which goes to enrich merchants and manufacturers, and to constitute them either the creditors of government, who, in the act of funding their bills, bring a permanent mortgage upon the nation—or the creditors of landed proprietors, whose expenditure in like manner brings a mortgage upon their estates. In either case, the whole effect is a rise of prices; and not a reduction, but a rotation of property.

There is still a third way in which this matter can proceed; and it is worthy of being noticed, because of the important explanation on another subject to which it is subservient. The monied capital vested in the actual business of the country, might be rated, as before, at a hundred millions; and be returned, in ordinary times, by the sum of a hundred and ten millions. If reduced to eighty millions by a government loan, we have already seen, how, in one revolution of the economic cycle, it might be fully restored by the operation of a diminished supply upon prices. But the likelihood is, that the remaining capitalists of eighty millions may not confine their operations to what they can barely do with their own proper capital. They may superadd the power of credit to that of capital, which, in the circumstances supposed, they can do with all the greater safety, because of the large return of a hundred and ten millions to eighty millions that is now awaiting them. Let us ima-

gine, then, that in virtue of being trusted to the extent of ten millions, they can lay out ninety instead of eighty millions on the extension of their business. This would reduce their profits for that year, from thirty to twenty millions; making, therefore, the reparation of the capital a slower process than it might otherwise have been. The sum of ten millions, by which their profits would have been augmented, has passed from them, and taken some other direction, which remains to be inquired into.

It seems obvious enough, then, that as by this device of credit they have brought ninety instead of eighty millions to bear on the outlays of their business, the money price of all which they had to purchase must have risen in this proportion. The chief of these purchases must be raw materials and labour. Confining ourselves to the latter, it may be stated as a general position—That when the operations of trade are extended by credit, the money price of labour rises. In the particular instance before us, it will do so unquestionably. The mere loan of twenty millions to government, will have no effect in this way; for though they are thereby vested with an additional command to that extent over the labour market, which they will of course make use of in adding to their naval and military establishments, yet the power of the capitalists from whom they have borrowed this sum is as much diminished; so that still, after the transaction, the joint demand of the two parties for

the services of men, may be measured by the same sum, as the entire demand of the capitalists before that the borrowing took place. But should these capitalists, by means of credit, bring ninety millions instead of eighty to bear upon the market; then, with the help of the twenty millions now in the hands of government, a hundred and ten millions, in the place of a hundred, will go to the purchase of service and materials together, and so raise in that proportion the money price of both of them. And should government, by such a measure as the issuing of exchequer bills, add to the effect of these doings the operation of a pure credit on their side—there may, between the parties, be a hundred and twenty, or a hundred and thirty millions, instead of a hundred expended within the year, and that chiefly in hiring the services of men. A war, whose expenses were defrayed by taxation within the year, might have no such effect; but the various expedients so much resorted to, of loan and anticipation, have all of them the obvious and certain effect of advancing, for the time, the money price of labour.

Now this advance in the money price of labour, must, we think, tell directly on the money price of all that is purchased by labourers. More especially will it have the effect of raising the money price of grain—that being a first necessary of life. Not that it will necessarily give them a greater command over this prime article of subsistence—for, with only a given quantity of corn in the mar-

ket, a mere advance of nominal wages can have no effect in sharing it out more liberally to the population. Still, however, it will have effect on the nominal or money price of corn. If all the buyers of an article have more to give for it than usual, that more will be given. There may not, in consequence, be the acquisition of a greater share by each; but there will, at least, be an endeavour after it, which is quite enough for raising the money price to all. Mr. Tooke, the able and distinguished author of the "Essay on High and Low Prices," has, we think, succeeded in showing, that the frequent scarcities of that season, go far to account for the high price of corn during the time of the French war. But we have no doubt that the war itself had a share in it. The greater waste and consumption of provisions in the shape of government stores for a navy or army, than by the same number of men in the pacific walks of life, would of itself be an item of no inconsiderable influence—particularly, as a very slight increase of demand tells more powerfully on the price of an article of main necessity, than it does in the case of all other commodities. But the chief effect of war, we apprehend, in raising the money price of agricultural produce, stands connected with the explanation which we have just given—an explanation into which we should not have entered, but for the light which it seems to cast on another interesting phenomenon that we shall now advert to with all brevity.

The question is, How comes it, that during a season of high money prices, there should always a stretch take place in the cultivation of land? This was remarkably exemplified during the last war with France, at which time many a before out-field territory was reclaimed; and, generally speaking, a more thorough cultivation spread itself over the island at large. Now it appears to have all the certainty of an axiom, that no land can be entered on agriculturally, unless the produce yielded in return can feed the agricultural population and their secondaries, beside yielding a profit to the farmer. But we have every reason to believe, that profit was higher throughout that whole season of large borrowings and low prices of stocks, than at ordinary periods; and, in as far as this element is concerned, the cultivation should have been straitened, rather than enlarged; whereas it was the opposite process which took place, and which calls for explanation.

Certain it is, that a higher money-price for corn can have no effect on what may be called the natural barrier of cultivation. It cannot make the land that is beyond, more fertile or less difficult to labour than before. It cannot impart to it the capacity of feeding more than its own agricultural workmen and their secondaries, if it wanted this capacity in times past; and, if it remain short of this, it is short of the possibility of being cultivated with a profit. Under all conceivable changes in the value of our denominations and our coins, there

is still the stubborn necessity for the direct and indirect labourers on any given territory being, at the very least, fed from the produce of it. One can imagine a fall of substantial wages, in which case the men would either be worse fed, or be willing to put up with fewer of the second necessities than before. This would admit a stretch in the cultivation. But it is doubtful whether, on the whole, labourers were worse off during the war than in ordinary times. With the higher prices, there were also higher money wages; and it was, in fact, a rise in the money price of labour which, partly at least, effected a rise in the money price of food. So that, with both the higher profits and the higher wages of that period—which, of themselves, ought to have contracted the agriculture, it is extraordinary, and requires explanation, that still the agriculture should have been extended.

We do not see how a high money price of corn should extend cultivation, if all the expenses of the husbandry, as estimated in money, rose in the same proportion. If the profit of agriculture kept as high, and, still more, if it rose higher than usual; and if the direct and indirect labourers obtained the same share of the produce as food to themselves—then, but for one circumstance, there does not appear the possibility of cultivation being extended, merely because money prices have risen. That one circumstance, which applies more to Britain than any other country, is taxation—and a taxation affecting, in a material degree, the expense of agri-

cultural operations. The truth is, that, in virtue of such taxation, the last land has more to do than merely to feed the direct and secondary labourers, beside yielding a profit to the farmer. Over and above these, the produce which is drawn from it goes to feed an additional population in the employ and service of government. It is taxation, as at present conducted, which forces this destination upon it. There are still taxes on many of the second necessities of life; and taxes which make the implements and whole apparatus of farm labour more expensive than otherwise. But a high money price of corn does not add to the pecuniary amount of these taxes; and this alone will suffice to account for the additional scope and outlet which that price allows to husbandry. For the sake of illustration; let us conceive, that, when grain is at the average price, a hundred pounds worth, raised from the last land, is divided in this proportion—that sixty pounds defray the natural expenses of the husbandry, and thirty pounds more the taxes; leaving a profit of ten pounds to the farmer. Then let the money price rise from a hundred to a hundred and fifty pounds, and even though the natural expenses should rise in the same proportion, yet, with the taxes, as estimated in money, being stationary, there would ample encouragement be afforded for the extension of the culture among the inferior soils. For, on the supposition now made, the natural expenses would rise to ninety pounds, which, with the taxes still at thirty, would leave no less

than a profit of thirty pounds—or a three times greater profit to the farmer than usual. But he could afford to cultivate at a profit much inferior to this; and therefore can afford, and will feel encouraged, to enter on the cultivation of inferior soils.

And we may now see how it is, that, in the time of war, in as far as its expenses are defrayed, not by taxes, but by loans, there should often be such a general hey-day feeling of prosperity throughout the land. The truth is, that a mere increase in his money receipts, will give one a certain sense of prosperity, or of getting on in the world—though, in virtue of a proportional rise in money prices, he may have no greater command than before over the enjoyments of life. A general rise in money rents and wages, and withal, in profits, will beget the fancy, and even the sensation of prosperity, among the three great classes of society—the feverish exhilaration of high health, without the sound or entire possession of it. Meanwhile, and contemporaneously with this great nominal and apparent increase in the means of the general community, there must, in counterpart to the higher prices and profits of such a season, fall a real weight of suffering, without disguise and without palliation, somewhere. And it is by the mere money annuitants of all classes, that the pressure is chiefly felt—who draw their stated income, and, with the same nominal revenue as before, have to encounter that excess of prices which we ascribe to the opera-

tion of the funding system; and by which we hold that its immense levies are drawn, even at the time, or within the year, in the shape of higher prices, from the pockets of the population—as well as laid, in the shape of a permanent mortgage, on the country.

If our reasoning be valid on the effects that take place during the contraction of the national debt, it will further serve to establish the converse effects that would take place during its repayment. By the one process, capital was turned into expenditure; and there instantly ensued high profits and prices to repair the deficiency. By the other process, expenditure would be turned into capital; and there would as instantly ensue low profits, or rather prices beneath prime cost, and consequent losing speculations to absorb the superfluity. If, when twenty millions were borrowed, the public had to pay these twenty millions in higher prices; then, should these twenty millions be repaid by a tax, that tax would be again paid back to the public in lower prices. Should government establish a property tax, and apply its produce wholly to the liquidation of the national debt, it would bear far more lightly on the community than they are at all aware of. To them it might bear the semblance, but not the reality of distress. The great distress would be among merchants and manufacturers, from the glut of capital. As by the one process, a monied interest was formed, tantamount to the whole value of the national debt; so, by the oppo-

site process, the whole of this immense interest would be swept away. It would afford the most impressive exemplification possible to all our views on the subject of capital. Losses and bankruptcies innumerable, would follow in the train of this great regurgitation. The newly-created capital would seek every where, but in vain, for a profitable investiture. It would force its way into Ireland and more distant places; and might be the means of a temporary relief from the pressure of our excessive population, both by its reflux on our agriculture at home, and by the impulse it would give to schemes and undertakings of emigration abroad. Our landlords, the ultimate payers of taxes, are not aware of the easy terms on which they might get quit of the mortgage which oppresses them. It comes upon them as a burden at the first, after they had already borne it in high prices. They might cast off the burden at their pleasure; and that, not by a dishonest cancelment of the debt, but by the liberal, honest, and full repayment of it. The heavy taxation, while it lasted, would be compensated by the low prices; and permanent relief from the interest of the national debt would be obtained, without the expense of a sacrifice.

There is only one qualification that we can think of, in any way affecting these conclusions on the subject of the national debt. In as far as the money is lent by foreigners, there is no abstraction of capital from the business of the country, and no consequent raising of prices. In as far as it is repaid

to foreigners, there is no addition made to the capital within the country, and no consequent lowering of prices. And the same may be said of all those repayments which, instead of being vested either in the home or in the return foreign trade, are carried forth of the land on any enterprise of colonization. Bating these, there would be a mighty lowering in the price of all those articles, on the production of which there was so much more of capital, and in the purchase of which there was so much less of expenditure than before—such a lowering, in fact, as would very nearly, if not fully, compensate for the extraordinary taxation, by means of which the liquidation of the debt is effected.

(E. page 175.)—*On Profit.*

In a recent theory of profit, the native and immediate forces by which it is determined have been lost sight of, so as to carry a mysticism into the science, in all those places of it where profit enters, as an element into its reasonings.

On this subject, Dr. Smith's principle is the right one, and should have been adhered to. All other circumstances remaining the same, profit is lowered by the increase of capital, and raised by the diminution of it. It is equal to the difference between the cost and the price of commodities; between the

sum laid out by one party on the production, and the sum laid out by another party in the purchase of them; between the amount of capital employed, and the amount of its returns. Let the latter be stationary, and it is quite evident that profit will vary with the former, but in an inverse order—the profit being large when the capital is small, and small when the capital is large; or even being extinguished, nay, converted into loss, which is a possible and frequently realized thing, when the capital is so large as either to equal or to exceed the returns which it meets with.

It had been well that both the language and reasoning of Dr. Smith had been retained upon this subject. The proper and immediate cause of a fall in profits, while the effective demand for commodities remains unaltered, is an increase of capital without a corresponding increase in the returns that are made for it. It is determined by the state of competition between capitalists, or rather between the capitals which they hold. If these increase either in number or in magnitude, without a proportional increase in the returning power, by the opening up of new lands, and the consequent increase of population; then profits must decline with the progress of accumulated wealth in society.

Consequent on this accumulation of capital, and antecedent to this fall of profit, there must have been an extension of the business of the country, in all the various branches of its trade and manufactures. And this extension will take place in

the business of agriculture, as well as in any other. The same circumstances which lead men to extend their transactions in commerce, though with the prospect of a less return than before, will lead them to extend their transactions in agriculture, with the prospect of a less return than before. In other words, land of inferior fertility and produce will, by the operation of this cause, be taken into cultivation. This concern, like every other, will fluctuate with the fluctuations of profit and interest in society. Should there be a fall of interest, and a consequent facility of borrowing, in any particular year, or period of years, farmers will be induced to attempt soils that had not been previously entered. So soon as men are satisfied with a less return, they will carry the plough to a poorer territory than before. This is one of the many phenomena that must ensue from an augmented capital, and a reduced rate of profit; and not peculiar to the affairs of husbandry, but exemplified in every other walk of enterprise and speculation.

Yet this phenomenon, but the subordinate result of a law, having a distinct principle of its own, has itself been magnified into the principle; and a controlling force has been ascribed to that which is only the determinate consequence of a prior force, determining the rate of profit. The effect has been mistaken for the efficient. The produce of the land, that is said to yield no rent, is conceived of as representing the aggregate of wages and profit. At most it is but the measure, and not the deter-

minator, of the sum of these two. The wages of labour are not low, nor is profit either, because land of an extremely poor quality has been taken into cultivation; but this land has been taken into cultivation, because wages and profit are low. If wages be low, it is because labour, or the number of labourers, is in excess. If profit be low, it is because capital is in excess. But competition, the moving force in both instances, has been well nigh lost sight of. The land last cultivated has furnished some of our later economists with the materials of a formula—where the three elements of rent, and profit, and wages, have been made to enter, as symbols do into an equation, by means of a few transpositions upon which, the whole doctrine and philosophy of the subject have been newly cast, and are held to have been infallibly expounded.

And it is curious to observe the proceeds of this new mode of reasoning, through which, by a certain dexterous algebraic play, results are elicited the most unexpected, and certainly the most opposite to all experience. One specimen may suffice. When once the produce of the last cultivated land enters as a sort of fixed quantity into an argument; then, representing, as it does, the sum of wages and profit, it will follow of course, that when wages rise, it can only be at the expense of profit, and when profit rises, it can only be at the expense of wages—the one being high when the other is low, and conversely. The strange conclusion deduced from this is, that by increasing the wages of labour,

we are on the high road to the underselling of our neighbours in foreign markets; because that the dearer the labour expended on the preparation of export articles, the cheaper can it be afforded when presented for sale. And the reason of this is, that profit being just as much lower as wages are higher, we make a saving on the cost of the article, with every new transfer in the course of its sales or stages of preparation, till the ultimate price may, in fact, be very much reduced by the repetition of this effect at each of the successive centages. And hence the paradox in question, advanced too with a sort of axiomatic certainty. It is a striking example of the extravagance into which men are sure to fall, when, forsaking the obvious and real principles of a subject, they give the precedency, over all sense and all experience, to the categories of a school.

We shall be saved from all such devious conclusions, if we only keep in sight the proper and immediate causes by which both wages and profit are determined. There is a greater identity of principle between them than is commonly adverted to. The one depends on the proportion which the quantity of labour bears to the effective demand for its products; and the other, also, on the proportion which the quantity of capital bears to the effective demand for its products. Or, just recurring to the old language and style of conception upon this subject, we should say, that the one varies with the intensity of the competition among

labourers for employment, and that the other varies with the intensity of the competition among capitalists for business. Should there then be a high standard of enjoyment among labourers, they will not marry so as to overstock the country with population; and so, just because their taste is high, their wages would be high; thus landing us in the important and delightful conclusion, that the people, collectively speaking, have their circumstances in their own hands—it being at the bidding of their collective will, whether the remuneration for their work shall be a scanty or a sufficient one. The same principle has not been extended to profit, though it be as strictly applicable to the one element as to the other. It is for each capitalist to determine how much of his profits he shall expend on personal or family indulgences, or how much of them he shall reserve for additional outlays upon his business. Should there be a general and voluntary descent among capitalists in respect of expenditure, this of itself, by adding to the investments in trade, would produce a general fall of profit. Whereas, by means of expenditure in this class of society, profits might be sustained at any given level—a level as much determined by the standard of enjoyment, or collective will of capitalists, as wages are by the collective will of labourers. However simple and obvious this consideration may be, yet the most important, and as yet unnoticed conclusions are deducible therefrom. Our only inference at present is, that there is no

headlong necessity in any state of society, for either a wretchedly low wages or a ruinously low profit. Both, in fact, are dependent on moral causes. There is a moral preventive check, which, if put in steady operation throughout the labouring classes, would keep wages high. And, however little adverted to,* there is an analogous check, which, operating among capitalists, would keep profit high. Instead of wages being necessarily low when profits are high, or conversely; both may rise contemporaneously, or fall contemporaneously. In other words, there is still a highway open to us, both for a well-conditioned peasantry, and a prosperous order of merchants and master-manufacturers in the land. There is no irreversible fatality in that march of agriculture among the poorer soils, which has been represented as bearing down profit and wages. Instead of this, profit and wages may each, in any point of the progress, make their own resolute stand, and arrest the march of agriculture. Let labourers, on the one hand, make a stand for higher wages, (and this they can only do effectively, by refraining from over-population;) and let capitalists, on the other, make a stand for higher profit, (and this they can only do effectively, by refraining from over-speculation :) and then, so far from their condition being overruled by the state of the husbandry, they may jointly overrule that state;

* It is but justice to state, that this principle has been distinctly adverted to, and ingeniously illustrated, by Mr. Thos. Perronet Thomson.

and, just by the position which they might voluntarily unite in keeping up, may they both lower the rent of land, and somewhat limit its cultivation. Instead of being borne down by the tide, they could withstand and stem it; and instead of lying prostrate before the absorbing rent of the landlords, they might prescribe their own bounds to the wealth of the proprietors of the soil, which it could not overpass.

This is the only effectual, but withal peaceful and legitimate way, in which the other two classes of society can make head against the landlords. Rent, profit, and wages, have been denominated the three ingredients of value. We confess, that though at the expense of, and by an encroachment on the first, we should like the two last admitted to a larger relative share than they have at present; or, in other words, that the standard of enjoyment both among capitalists and labourers were higher, though, as a necessary consequence, the proprietors of the soil behoved to live less luxuriously, or less splendidly than before. This consummation is not to be arrived at through the medium of a contentious politics, or by the triumph of what has been called popular rights. It will be altogether a moral victory, which can only be gained and perpetuated by dint of popular intelligence and worth. Let workmen, having a proper control over their appetite for present enjoyment, abate of their reckless improvidence; and capitalists, having a proper control over their appetite for gain, abate

of their reckless and excessive speculation; and we should soon witness both a higher wage and a higher profit. Instead of the action and re-action being only between these two elements, so that when the one rises, the other must necessarily fall; the action and re-action are shared among three elements, even profit, wages, and rent—so that the two first may draw indefinitely upon the last; and, with the fall of rent, profit and wages may rise, and that contemporaneously. We are aware, that, on this taking place, there might be a contraction of the agriculture; the lowest land having to yield a larger produce for the now increased remuneration of the farmer and labourers than before. But our decided preference is for a happier and more prosperous, even though it should be a somewhat more limited society.

(F. page 196.)—*On Free Trade.*

There is an artificial limit to the extension of trade, created by monopoly; and it is a very general conception, that, after its abolition, all let or limitation is thenceforth done away. But there is also a natural limit, which is felt, when the power to produce on the one hand, is put forth to a greater extent than can be met by the power to purchase on the other. There is palpable intimation given of

this, in those glutted markets, which are the result of over-trading. Even Dr. Smith does not seem to be sufficiently aware, how closely placed the natural barrier is to the artificial one, though somewhat exterior to it. He was too intent on the destruction of the one, to have adverted much either to the existence or nearness of the other. And, accordingly, the idea most commonly suggested by the perusal of his work is, that if the wall of monopoly were only taken down, there would, thenceforth, be room for an advancement altogether indefinite, in prosperity and opulence. Hence the brilliant but unfulfilled anticipations of Canning, and Robinson, and Huskisson, on the opening up of new markets, and the removal of old fetters from the enterprise of British merchants. Hence, too, the mania communicated, as if by infection, from their speeches, and which spread itself, in a spirit of wild and ruinous adventure, over the land. The secret of that deep and general delusion which exists in the minds of men, as if the capabilities of foreign trade were perfectly inexhaustible, was fully let out, when, on the artificial check of monopoly or legal prohibition being done away, they, with an utter disregard to so much as the existence of a natural check, launched forth into all the varieties of unbridled speculation. The consequence was inevitable. On the taking down of the interior wall, they entered as if now on an indefinite career; but soon ran their heads against the exterior wall, which was situated at but a very small

distance on the other side of the first. The consequent check and revulsion were felt throughout the whole commercial world. There may have ultimately taken place, a slight, but scarcely a sensible enlargement. Certain it is, that the sanguine hope of this enlargement was soon followed up, by a disappointed feeling of straitness and difficulty. And the gluts which took place, both on the abolition of the East India monopoly, and on the more general adoption of the liberal system, gave palpable evidence, how closely, though somewhat on the outside of the artificial barrier, commerce is beset with a natural barrier, beyond which she cannot overpass.

We are not, therefore, of the number of those who rate very high the economic advantages of the system of free trade. It will not much, if at all, enlarge that wealth which is in the hand of merchants, though, by its means, we may perhaps obtain a greater abundance of foreign commodities at the same cost, or obtain them cheaper than before. There will thus be a certain, though, we apprehend, a small addition to the enjoyment of consumers—which, in spite of the constant preference given by mercantile economists to the means over the end, to the benefit of producers over the benefit of customers, is really, after all, the great and only end of commerce. We can even imagine a slight extension given by means of free trade, to agriculture—in as far as we may possibly, through it, obtain at a cheaper rate, either some of the ma-

terials of husbandry, or some of those articles which enter into the maintenance of husbandmen. Yet notwithstanding this our humble estimate of the advantages of free trade, in an economical point of view, there are certain attendant moral benefits, if we may so term them, which render the adoption of the system one of the best and wisest achievements of an enlightened national policy. In the first place, it cancels a thousand heart-burnings at home. The admission of one class to a particular trade, with the exclusion of all others, is felt by the community at large, to be an injustice and a wrong; and it is well when this, and every other rankling topic of disaffection, are, as much as possible, done away. Government incurs a prodigious waste of popularity, whenever its policy stands associated, in the public imagination, with the failures and fluctuations of trade. And were it for nothing else than to free itself from the burden of this unnecessary odium, it were far better that it stood palpably dissevered from the affairs of commerce altogether; or at least that it never interfered with them, save for the purposes of a revenue, and for the maintenance of the interests of justice. But the system is not more favourable to domestic than to foreign tranquillity. The government which upholds it, not only stands forth in a fair and conciliatory aspect to its own subjects, but also to other nations. The abolition of the restrictive system in commerce, is, in fact, the abolition of the sorest exasperations and jealousies which have taken place

among the states of the civilized world. There is, therefore, a very high philanthropic interest involved in the maintenance of the opposite system. It is on the side both of internal and external peace. It would quiet many a discontent within our own territory, and dry up the teeming fountain of most of our modern wars.

Yet we are not without our fears, that the system of free trade may retrograde, instead of advancing towards its secure and lasting establishment, throughout the coming periods of our history. A liberal politics forms no guarantee, but, we doubt, the opposite, for a liberal political economy.* This

* On this subject I am happy to find that I can appeal to the high authority of Mr. Senior, whose lucubrations on political economy entitle him to a distinguished place among the original and enlightened thinkers of our day.

I refer to the following extracts from his work on "the Mercantile Theory of Wealth:"—

"If the unhappy prejudices that now exist on this subject should continue, and if the extension of representative governments should increase the power of public opinion over the policy of nations, I fear that commerce may not long be enabled to retain even that degree of freedom that she now enjoys."—"I have perfect reliance on the knowledge and good intentions of our present ministers—but very little on the knowledge possessed by the country at large. And if ministers are unsupported by the country at large—if each class, in turn, is to be permitted a complete or a partial monopoly, and, bribed by this sacrifice of the general and permanent interest of the public to its own partial and immediate advantage, to allow others to clamour for the power to exercise a similar oppression—if ministers are not aided by the public voice in their struggles against individual rapacity,—we shall tread

is a subject on which the popular and the philosophical mind are not at all in harmony ; and the very admission into parliament of so large an influence from the will of the humbler classes, may, after all, endanger the cause of sound legislation, on every topic where the seeming and the substantial interests of the community are at variance. We are not afraid of any monopoly in favour of the few, to the exclusion, from certain trades, of the many in our own land ; as the will of the many, when rendered effectual in consequence of a freer and fuller representation, will completely overbear any partiality of this sort. But we do fear, that prejudice and partiality may again have the ascendant in the regulation of our commercial policy with the people

backwards, and with greater rapidity, the few steps which we have so laboriously gained. Slowly and reluctantly, and as if parting from our dearest friend, we have begun to withdraw from the restrictive system. If once we begin to re-approach it, I am justified by all experience in the fear, that, in our retrograde motion, we shall not stop at the point at which we originally set out. It will have been an unsuccessful rebellion against popular prejudice ; and, like all unsuccessful rebellions, strengthen and consolidate the ruling power."

"In a representative government, where each individual may proclaim, in their utmost exaggeration, his sufferings and his fears, where the power arbitrarily to do good is chained by the same fetters which restrain the power arbitrarily to do evil—where, in short, public opinion is omnipotent, and is, on these subjects, so ill-informed, and therefore so easily misdirected,—there appears, at first sight, no limit to the extent to which individual interest, popular prejudice, and national jealousy, might not carry the system of exclusion."

of other lands ; and that, in an assembly of mercantile legislators, there may, by mutual connivance, be a protection awarded to each of the separate trading interests, however paltry or local it may be, against the rivalry of foreigners. We can even imagine, that, in virtue of a more democratic government, there might be a more headlong propensity to war ; and, certain it is, that the popular mind, more especially when inflamed by the cupidity and sensitive alarm of the trading classes, is not always on the side of a pacific policy. It seems all the more imperative in these circumstances, that, with every stretch of the elective franchise, there should be a corresponding stretch of education, and of larger intelligence among the people ; lest, in the scramble of personal or provincial interests, that calm and comprehensive wisdom should be lost sight of, which ought to characterize the legislation of every great empire.

(G. page 237.)—*On Corn Laws.*

For the sake of its moral benefit, we know of no achievement more urgently desirable than that of a free corn trade. There is not a more fertile topic of clamour and burning discontent all over the land ; and, were it but effectually set at rest, we are aware of nothing which might

serve more to sweeten the breath of British society. The interest of cheaper food, is not the only one concerned in the abolition of all those restraints which have been laid upon its importation. There is, beside this, a special interest felt, by that numerous class who are engaged in the business of export manufactures, or export merchandise. The limit of our imports determines the limit of our exports; so that when the one trade comes to its *ne plus ultra*, the other must also be brought to a dead stand. They mutually limit and determine each other. So that the advantage to our export commerce, from a further enlargement of our imports, opening, as it would, a fuller and freer exportation, and telling most favourably for this great branch of trade upon the foreign exchanges, is really one of the most urgent forces that is now operating on the side of an unrestricted corn trade. We shall therefore attempt a brief exposition of what we hold to be the leading principles, and the likely results of such a measure.

First, then, though there should, on the event of an instant and total abolition of the corn laws, be such a reduction of price, as would translate the population into circumstances of larger comfort and sufficiency—we cannot imagine that this would be more than temporary. The proportion of the food to the population might be increased at the commencement; but, reasoning on human nature, and on all experience, this would soon be

followed up by the old proportion of the population to the food. Such a regress of the ocean from our shores, as left behind it a million of rich arable acres, would cause an instant and large descent in the price of grain. But no one thinks that a permanent cheapness would be the result of it. The difference between one census and another, though only at the distance of ten years, may well convince us, how speedily the former balance between demand and supply, and so the former prices of food, would be restored. Yet even still, however frequent and familiar the topic is with economical writers, the great majority of our land-holders seem blind to the peculiar and characteristic excellence of that commodity in which their wealth lies. It is a commodity which never can be so multiplied, as permanently to glut the market. By the stimulus which its abundance gives to population, it is very sure, in the long run, to create a commensurate market for itself. Unlike to other commodities, it has the virtue of increasing the demand for itself, just as the supply is increased. This single circumstance should help, and perhaps, above all others, to tranquillize the fears of our landlords, and to give them a feeling of conscious strength and superiority over all the fluctuations to which commerce, in every other of her departments, is liable. They are the holders of the necessaries of life; and, in virtue of being so, theirs is an upper and secure region, where they enjoy, without the possibility of dethronement, an entire and essential

command over the services of men. They misunderstand their own situation, when they participate in the tremulous anxiety of merchants. Their wealth is as indestructible as are the laws and elements of nature; having in it that character of permanency, which belongs to the processes both of the physical and the moral world—based as it is on the capabilities of the soil, and the constitution of humanity.

But let us attempt a closer treatment of the question. We would, in the second place, remark, that there seems nothing in the freest importation of corn, which, *of itself*, should permanently contract the agriculture of our own land. The reason why the poorest of our cultivated soils has been entered on is, that still it had enough of capability for feeding its agricultural labourers and their secondaries, beside yielding a surplus to remunerate the farmer. This reason is not at all affected by the admission of foreign grain from abroad. The capability which had brought down the agriculture so far, would still remain after the abolition of all corn laws. We are aware of a possible cheapening of the article at the first, which, by translating the people into better circumstances, might raise, for a time, the quality both of their food and their secondary accommodations. While this lasted, the poorest soil which cultivation had formerly reached, might not be able to yield the now higher remuneration for labour; and there might, for some very brief season of years, be a receding of the home

agriculture, from the extreme limit to which it had been carried. But without a permanent rise in the popular standard of enjoyment, this could only be temporary. The people would again multiply to the now more abundant food; and this they would just continue to do, till agriculture should recover the very limit from which it had, for a short interval, retired. When the wages, estimated in grain, had become as low as formerly, the agriculture of our own country would then become as large as formerly. Throughout the gradation of soils, the same differences in respect of produce would obtain between the superior land, and that which is said to yield no rent. Or, in other words, the rent of all land, *estimated in produce*, the corn rent of all land, would, in spite of foreign competition, be just what it wont.

But it follows not, that, though rent in kind would, after a season of disturbance, settle at the same point which it did formerly, rent in money would therefore do the same. And this, in the peculiar circumstances of Britain, may most severely affect the substantial income of landlords. The thing apprehended is, that, on the opening of our ports for the free admission of corn from abroad, there would be a fall in money prices—and so, a fall in money rents. It would matter not to the real interest of our proprietors, if this fall in money prices extended, and in like proportion, to every other article of enjoyment. There would then, in spite of the declension in nominal income, be the

same real command as before over all the comforts and conveniencies of life. Were labour, and the products of labour, to become as much cheaper as corn had, then the same corn rent would purchase as great an amount as before of all that entered into the use and maintenance of families. But there is a special cause, in our own country, to prevent this. Though every other ingredient in the price of commodities should fall as much as corn, there is an ingredient which remains, and must remain, in a great measure stationary. There can be no proportional remission of taxes to compensate this fall of money prices. There might, had government nothing else to do with a revenue, than meet the outgoings of its present expenditure; for then it might proportionally lessen the allowance of its various functionaries; and, with a money expenditure reduced in all its branches, maintain the public service in as great strength and effectiveness as before. But along with its current and actual expenses, which might fall with the price of all other things, the revenue is also charged with the permanent interest of an old and heavy debt, which no retrenchment can alleviate, save the retrenchment of a partial bankruptcy. This is the capital reason, why, though the money price of grain falls, the money taxes cannot be made to fall proportionally; and it is this, chiefly, which gives to landed proprietors a real and substantive interest in high money rents. The great national mortgage of our public debt has the same effect.

generally, that private mortgages have on the holders of individual estates, personally and particularly. They become substantially, as well as nominally richer, by the augmentation of their money income; because then the interest of their debts forms a smaller proportion than before of their whole revenue. And the converse effect takes place on a fall of money income. In other words, it is the existence of our national debt which gives to the possessors of the soil their only rational interest in the corn laws; and the likeliest method by which to harmonize the discordant views and feelings of all parties upon this subject, were an adjustment between the land and the fund holders.

We hold it impossible to effect any right adjustment between these two classes, but by means of taxation—the topic of one of our subsequent arguments; ere we have overtaken which, we can attempt no complete solution of the difficulty in question. But, meanwhile, we can state what appears to us the likelihoods in regard to the future money price of corn, on the event of the abolition of the corn laws. It can be treated, we think, in no other way than as a speculation of likelihoods; the certainties of the subject being, from the very nature of the case, unattainable, but through the medium of experience. Beforehand, we can only offer hypothetical results—or the results that would ensue on certain given suppositions, which, anterior to an actual trial, we have really no means of verifying.

We have already stated, that, with every addition to our excrement population, there behoved to be a fresh and extended draft of corn from abroad; which, by each enlargement of the importation, would become dearer than before. There ensues a very speedy augmentation of difficulty, and so of expense, in the transport of grain, when, in consequence of the need for increased supplies, it must be fetched by inland carriage, even for small distances, from such places as are inaccessible to navigation. With every enlargement of these distances, corn would be landed dearer in our own country; and one can imagine, that, from this cause alone, the dearness, in an unrestricted state of things, may at length be equal to that dearness which is the effect of our present prohibitions. There would, on the event of a total, and, at the same time, instant abolition of our corn laws, be a desultory fall of price, to the utmost consternation of the landed proprietors. But with this abolition of the present restraint on importation, there were the abolition of a present restraint on population also—the excrement portion of which would, from the commencement of this new era of liberty, grow to a magnitude, that, owing to the number and uncertainty of the elements concerned in the process, is at this moment undefinable. Certain it is, therefore, that there would be a recovery, to a certain extent, from the first cheapness, occasioned by an immediate abolition, if that, instead of the far wiser step of a gradual abolition, were actually resolved

upon. But we hold it beyond the reach of all human anticipation, to say how far this recovery would proceed—or whether it would fully restore the money price of grain, so as to work out a full compensation to our landlords, for the loss of that protection which they at present enjoy.

For, who can compute the situation of that point, at which, in a state of perfect liberty, the underselling power of Britain will be exactly balanced, by the expense of its farthest and heaviest importation? The equipoise would at length be gained; but there are too many influences beyond the reach of precise calculation, for our being able to say when. Every augmentation, on the one hand, of our foreign manufactures, may either lessen their price in foreign markets, or add to the expense of their transit, when their superabundance is forwarded from nearer to more distant places of sale; and every consequent augmentation, on the other hand, of our imported food, enhances the dearness of it: so that the tendency, from the very first, is towards a limit, however impossible to foretell where this limit is to be, or after what increase of our excrescent population it will proceed no farther. We do not know how far, or how long, the industry and ingenuity of our own countrymen are to keep ahead of the industry and ingenuity of the people in other lands. We cannot answer for the number or extent of those regions abroad, where there shall be a constant preference of British goods to their own home manufactures, even though returns must

be made for them in agricultural produce. We cannot tell the degree in which the encouragement of the industry, and the consequent increase of the numbers, of their own people, will absorb their agricultural produce, and make it an article of scarcer and dearer exportation. There is no foreseeing what the new materials, and what the new processes of industry may be, which shall spring up in other parts of the world; so that many of our present customers may be led to seek nearer to their own doors for those articles of taste and of enjoyment, which they now fetch from our far distant island. We cannot anticipate with certainty on either side of this question—neither how far the perpetual additions to British industry and skill shall extend our superiority, nor in how far the rivalry of other nations shall at length deduct from it. There are a thousand possibilities concerned in this matter, through which we can no more see our way, than we can through the contingencies of the weather. They are like the unassignable quantities of an indeterminate equation, which lead but to a dependent or conditional result. We cannot decide beforehand the proportion which, when things are left to their free course, our extrinsic shall bear to our natural population. It lies undisclosed in the womb of futurity; and both the resulting population and the resulting price, that would ensue from a free state of things, must be left to the verification of experience.

Yet, in the face of all this uncertainty, we feel

no hesitation in affirming, both the expediency and the rightness of a free trade in corn. That it would land us in a larger excrescent population than we have at this moment, is little to be doubted. How much larger, we have not the means of calculating. Our own impression is, that it would not be nearly so much larger as is commonly anticipated. We should not be surprised, if, in a free race of improvement among the nations, the excrescent population of Britain did not, eventually and ultimately, amount to one-tenth of its natural. There are certain physical inequalities, which might maintain for us a permanent superiority over other lands, even after all the moral inequalities had subsided. Still we cannot imagine, that, with every advantage we have for commerce, our trade should overlap our agriculture, so far as to extend our population beyond a small fraction of the number maintained by the produce of our own territory. And even though it should be a large, instead of a small fraction, we would still advocate the cause of freedom. The evils apprehended from this are two. There might first be a considerable reduction in the money price of food, to an extent which, if not provided against, would depress the substantial, as well as the nominal income of our landlords. And, second, there might be a precarious dependence on supplies from abroad, which might subject us, at times, to an aggravated suffering, on the event of a general scarcity. Yet we would incur both these hazards, rather than we would the certain

and urgent evil of a dissatisfied population; who feel, and perhaps with justice too, as if defrauded of their rights, by the compulsory restraints of the legislature on the importation of food. We hold, that an immunity from this sore heart-burning were cheaply purchased, even with the risk of every evil which may have been felt or foretold as the probable consequence of liberty. It were right that it should be a gradual, but, ultimately, a complete emancipation.

It is remarkable, that the first of the apprehended evils, that is, the injury done to the landlords, would become lighter, just as the second, or the dependence of our country on foreign supplies, ever increasing with the increase of our extrinsic population, became more aggravated. It is obvious, that the greater this population became, the heavier would be the expense at which we had to fetch agricultural produce from abroad, so that the money price of corn would rise in this country; and there is no saying how nearly this might effect a full compensation to the proprietors of the soil. But though it should fall short of this, the real injury to the landlords, by a fall in the money price of corn, stands chiefly connected, as we have already remarked, with the inequality to which it would give rise between them and the fund-holders. And should this inequality be adjusted, the injury would be in a great measure repaired. Now, we can perceive how this might be brought about by a rule of conditional taxation. For the sake of

example, let us imagine that all assessed taxes, and all those taxes on commodities which bore on the general enjoyments of the people, were abandoned; and that there was substituted, in their place, an income tax of 20 per cent. on land and fund holders, to be exacted equally from both classes, when the average price of wheat for the preceding year had been sixty shillings a quarter. A scale of variations in the tax could be made to quadrate with a scale of variations in the price. When wheat fell beneath sixty shillings by successive differences, there might be a series of corresponding diminutions on the income tax of landholders, and of increase on the income tax of fundholders. And the converse of this could be made to take place, when wheat rose above sixty shillings. We should thus, with all the various conceivable changes in the price of wheat, have the land-holders paying 19, or 18, or 17 per cent. and so downward in the scale in cheap years, and in dear, 21, or 22, or 23, and so upward in the scale; while the charges on the fund-holders would stand on the opposite side of par. The same rule of equity might be extended, even to private mortgagees upon land. We enter into no further details or modifications upon this plan. It is offered merely as a suggestion, and as being precisely of that character that is adapted to a measure of which the issues are uncertain. The conditional nature of the scheme meets, and is accommodated to, the uncertainty; and if it serve no other purpose, it may at least demonstrate, that

an adjustment which shall harmonize the main interests of this complicated question, is not impracticable.

The second apprehended evil we hold to be far more serious, than most of the advocates for a free corn trade seem disposed to allow. The dependence of a country, to any great extent, for the subsistence of its population, on other and distant lands, we hold to be a fearful element of insecurity and weakness. It is this which accounts for the ephemeral duration of many of those commercial states, that have figured their brief and brilliant hour in the history of the world. When their commerce abandoned them, the stamina, not of their greatness alone, but often of their very being, abandoned them. Or, if they do abide, theirs, like Venice, has been a shrunk and shrivelled existence; and that, just in proportion as their now extinct commerce did at one time overlap their agriculture. Our comfort, in reference to Britain, is, that though this may take place to a certain extent, it will not do it far. An excrescence will be formed, but such as may at any time be thrown off without impairing the substantial wealth or greatness of our nation. This accretion to our trade, consequent on the abolition of the monopoly in corn, which so many look to with triumphant anticipation, we should look to with alarm, did we conceive that it would effect a mighty proportional addition to our commerce—and only look to with toleration, because of its believed and hoped-for insignificance. It is

vain to affirm that Britain, when thus extended, would rest as firmly on the motley foundation of home and foreign agriculture, as she would if, within her natural limits, she rested exclusively on her own proper basis. The advocates for freedom reason badly on this subject, when they speak of the dependence between us and other countries being reciprocal—or that they depended as much on our manufactures, as we on their food. The distinction is overlooked here, (and this is a cause of error in many other departments of political economy,) between the necessaries and conveniencies, or, still more, between the necessaries and luxuries of life. They can want our handiwork, but we, with a large surplus population, could not want their food: Our comfort is, that it will not be large. If it were, we should at times be exposed to visitations of fearful calamity—a calamity that might be alleviated, but would not be averted, by the stored and accumulated grain of former years, of which the advocates on the side of liberty conceive that it might ever be in readiness for such an emergency.

Any apprehension we have from a repeal of the corn laws, is for the country at large, and not for the landlords. There might be immediate loss to them, from a change in the power of money; but even this could be made up by an adjusted taxation. After which we see nothing else but their increasing wealth and importance, in every new addition made to the excrescent commerce and population of the land. Their estates would

rise in value, just as the contiguous land of a great city does, with every enlargement in the number of its houses and families. And every season of universal scarcity, while the cause of severest suffering to the British community, would prove a harvest to the British landlords. They would have a fearful command over the services of the disposable population. The high prices of such a period, enhanced by such an accumulation of human beings upon our territory, would mightily enlarge their fortunes, or clear away the debts of their former extravagance. It may be recollected how the famines of 1799 and 1800 redounded to the sudden prosperity of agriculturists. We should anticipate, under the reformed system, a still more frequent recurrence of like fits and intervals of prosperity. The holders of the necessaries of life, therefore, may well give all their apprehensions to the wind. With the certainty that the population will increase just as their commodity increases, from whatever quarter it may be brought, they have nothing ultimately to fear in the consequences of an unaccepted freedom. They, at all times, and amid all changes, will be lords of the ascendant. They alone stand on firm vantage-ground, and should of all men be exempted from those mercantile jealousies, by unworthily acting upon which, they have dissevered, both from their persons and their interests, the affections of the people.

But the most important consideration of all, or, at least, that which harmonizes most with the gen-

eral object of our work, is, that however great the immediate relief of a free corn trade may be, it would at best be temporary, and, at the end of some brief period, would at length cease to be the minister of a greater abundance to each of the families of the land, than they at present enjoy. The produce of our home agriculture is mightily increased within the last thirty years. Yet who will affirm that this has secured ought like a permanent sufficiency and comfort to the people? It has given us a larger, but not a more prosperous commonalty than before. And, without a change in the taste and moral habitude of the working classes, this will infallibly be the result of all the additional supplies that we shall ever obtain from foreign agriculture. The increase of their numbers will follow close on the enlargement of their food; so that at the end of the process, nay, even throughout the process, there will scarcely be the sense and perception of any greater sufficiency than before. By all means let the boon be granted. Let the freedom of this trade be restored perfectly, though progressively—that government may withdraw itself from the obnoxious attitude of appearing to stand in the way of the people's subsistence. Let this semblance of hostility between the governors and the governed be for ever obliterated; for, however insignificant the material, the moral benefit that would ensue is incalculable. The material enlargement from this, as from every other source that we have hitherto attended to, would be but temporary

in its duration, and limited in its amount; and, after it had reached its maximum, we should only behold a larger, but in every way as straitened a population, as we do at present, or as we have done in the past stages of our history. Like all the other external capabilities of our state, it will soon be overtaken. The only sure remedy is an internal one. The people cannot, by any possibility, indefinitely provide from without, for their growing numbers. But by the moral operation of prudence and principle from within, they can accommodate their numbers to their provision. However wide the limit may be, yet, if they inconveniently press upon it, there can be no feeling of largeness. However narrow the limit may be, yet, if they keep sufficiently within it, this, of itself, as among the peasants of sterile Norway, will give the feeling of largeness. In a word, this whole argument on foreign trade, and more especially on the foreign trade in corn, but leads to one repetition more of the oft-repeated lesson—that it is not by the force of material resources, but by the force of moral restraints, we shall at length realize the spectacle of a general comfort among thriving and well-conditioned families. In other words, there is no other power than that of Christian education, which can chase away the economic or political distempers of our land; which can either conduct us at the first, or keep us permanently afterwards, in the state of a peaceful, and contented, and flourishing society.

(H. page 289.)—*On the gradual Reform of our Financial System.*

Practical men, with their contempt for theory, which almost always is a contempt for generalized truth, receive with incredulity every affirmation which relates to a state of things that greatly differs from the present state, with whose details and familiarities they are often so minutely conversant. It greatly concerns, therefore, the advocates of every change from one state to another, that the transition which they recommend should be made out in a way as gradual and safely progressive as may be; and that, not merely for the purpose of avoiding those substantial inconveniences, which all sudden and desultory movements are sure to bring along with them, but for the purpose also, if possible, of reconciling those alarmists, whose resistance to innovation forms the great barrier in the way of all improvements.

It is the dictate of true wisdom, that nothing, save where principle or urgent necessity is involved, should be done *per saltum*—but that every thing, when possible, should be done by a process, or without violence to that great law, both of nature and of sound politics, the law of continuity. It follows not, because we recommend a complete change or a complete abolition, that we therefore want the instant change or the instant abolition of

any thing. However firm our conviction of the expediency of certain measures, yet we should desire, in the act of carrying them into accomplishment, never to forget the deference which is due to existing interests, or even to existing prejudices.

On this principle we should deprecate an immediate, although we are friendly to a total abolition of the present corn laws. This should be made to take place by a gradual relaxation in fractional instalments, as of a tenth annually, whereby they might be wholly done away in ten years; at which rate, we feel confident that, before the termination of the process, all parties would be experimentally convinced, how much they had been influenced by the veriest bugbear, in their opposition to a free corn trade.

Yet there is one vestige of these restrictions, which we should feel inclined to retain—not as a relict of the old system certainly, nor yet as a protection to British landlords; but for the sake of a small addition to the public revenue, which it were most rightful and legitimate to raise from this particular source. The truth is, that these importations of grain, although exaggerated by the fancy of many, in respect to their future and eventual magnitude, will land us in a somewhat increased population, and perhaps place us in a somewhat more precarious state than we might otherwise have been. A somewhat larger establishment, both civil and military, may be required by this extension of our numbers; and it is but fair, that the excres-

cent population should, in some way or other, be made to defray the additional expense which their own residence amongst us shall have created. We have already stated our reasons for thinking why taxation should be shifted away from commodities altogether, and more especially from those which are in general use, whether among capitalists or labourers. But we confess, that, for the purpose of reaching the excrescent population, we should not object to a slight duty, as of five shillings a quarter on imported corn—to be remitted only in years of scarcity. So far from this being in contravention to any doctrine of ours, we hold, that not only would it be consonant with strict principle, but that the theoretic perfection of our scheme would rather be completed than impaired by it.

But neither should the general commutation of all taxes into a territorial impost be adopted immediately. It should be done by a series of particular commutations, each of which would lighten the community of some distinct burden, till the whole was, in the course of years, transferred by successive centages on the income of our landed and funded proprietors. The work of reform should begin with those taxes which bear on the essential maintenance of labourers, till every vestige of an imposition on any of their comforts was completely done away. It might then proceed to a similar relief from house, and window, and all assessed taxes. If one-third of these were taken off annually, and commuted, we should be wholly delivered

from them in three years. The reform might thus be made to move onward from one commodity, or object of taxation, to another—while, at each step, the administration would gather new popularity, and earn, at every distinct act, a fresh sentiment of gratulation and gratitude from the country at large. Long before the process was consummated, the landlords, however alarmed for the system at the first, would have the experimental conviction of its perfect innocence, nay, of its great positive benefit to themselves. At all events, did their fears turn out to be very obstinate, or even incurable, the process might be arrested at any given point; when, instead of a large income tax to cover all our present duties, they might be saddled with a very moderate one, in lieu of the most obnoxious of our present burdens. It is thus, that without endangering their own prosperity in the least, but, we think, most materially advancing it, they have it in their power, by successive peace-offerings, to mollify the turbulent spirit of the age, and establish their own influence and security on a firm basis for many generations. We know not a more effectual method of charming away a rancorous politics from our nation—or a method by which the discordant elements that are now so busily at work in the midst of British society, could be more readily and fully harmonized.

But it may be long before the doctrine is admitted, that all taxes fall ultimately on land, and still longer, before it is proceeded on in the busi-

ness of legislation. The conviction that it were expedient to commute many of our most irritating taxes into a *general income tax*, may take the precedence, for many years, of the conviction that it were fair and equitable to commute all taxes whatever into a territorial impost. And we should be thankful, if the former conviction were proceeded on till the latter was fully established. It were infinitely better than the present universal system of taxation upon commodities, that there should be an income tax, although it did include the mercantile along with the landed classes. We believe the latter would pay all; but, leaving this question to be settled afterwards between these two classes, there is another question more urgent still, and demanding an immediate settlement; we mean the question between the higher and the humbler classes in society. An income tax on the former, to the ostensible relief of the latter, would wrest their most formidable weapon from the hand of demagogues. It were the grand specific, we believe, for appeasing the outcries of popular discontent, and so of warding off from the cause of public order and tranquillity, the principal danger to which, in these perilous times, it is exposed. And it were a cheap purchase of security to the payers, for it would just be making them pay openly, what, though in disguise, they now pay substantially and really.

And we would not only concede, for a time, a part of our theory, to the demand of those who

prefer a general to a territorial income tax : we can even admit, that the main objects of financial reform might be achieved, although the commutation from commodities to income were not universal. There are certain establishments, as the post-office for example, which might be upheld, and continue to yield a revenue to government, though without the penalties and restraints by which it is at present guarded as a monopoly. There are even certain articles of enjoyment, as the higher wines and other undoubted luxuries, which may be taxed to any extent, without affecting the comfort of the lower classes. But sugar and tea enter far too largely into the system of their maintenance to be thus classified ; insomuch, that the abolition of the tax upon these would lead, at no great distance of time, to the cheapening of labour, and so to the extension of agriculture. This tax, therefore, should be wholly commuted ; and, in short, if ought but an income tax is to be retained, it should stand exclusively associated with the enjoyments and expenditure of the wealthy, so as not to leave even the semblance or the shadow of any hardship on the working classes of society.*

With such views, we cannot share in the patriotic enthusiasm which is felt on the subject of re-

* It would more fully accomplish this desirable object, if the income or property tax, instead of being levied by a centage on the whole income, were levied by a centage on the excess of that income over a certain fixed income, beneath which taxation should not be carried.

trenchment. Our patriotism and philanthropy incline us the other way. In common estimation, the demands of the public service are regarded as so many encroachments on the general comfort of society. In our estimation, they are but encroachments on the luxury of one class; and that is, the landed proprietors: and we cannot regard with complacency the abridgments which are made, either in the number or the support of national functionaries, when we believe that the only effect will be, to enlarge the means of the aristocracy, and enable them to live in greater splendour or delicacy than before. So far from taxation having been carried to its extreme limit, we believe it was never at a greater distance from the limit than at this moment; and, to substantiate the position, we make our confident appeal to the growing number of those families in the country, who are elevated above the condition of labourers, to the increased profusion of their tables, and the increased magnificence of their houses, and furniture, and equipage. In other words, there is still, with all the outcry of our being an overburdened people—there is still a larger fund for the additional imposts of government, than at any former period in British history; or, which is the same thing, a larger disposable population, who, with but the surrender of luxury on the part of private individuals, can be spared for enlarging the civil, and the military, and the educational, and all the useful or respectable establishments of the nation. When told, as

we often are, that no trade can bear to be taxed any further; our reply is, that it is not the trade which furnishes the tax. Trade is but the channel, and not the fountain-head, of all the supplies which come into the treasury. It is not commerce, but its customers, who pay all taxes; and these are, mainly, the holders of the maintenance of labour. They can bear to be further taxed, so long as they indulge in articles of enjoyment which might be dispensed with; and, in giving up these, they might abridge or annihilate many a trade, yet without destroying the sustenance either of its capitalists or labourers, which, instead of being destroyed, is but transferred into the coffers of government. By this process, we but exchange the products of commerce and manufactures for public benefits; and we repeat, that, instead of stinting any goodly or desirable objects of patriotism, never was there a time when they might be more freely and bounteously extended. Having such views on the real effects and rationale of taxation, we cannot give our admiration or approval to the scurvy economics of the day. To our eye, they have the characteristics of selfishness and sordidness; and we can see nothing in these paltry savings of government, but a surrender of great public interests, that the ignoble gratifications of sense or of vanity may be left unimpaired.

One great benefit of our proposed commutation were, that it would break up the association which now obtains between lofty and high-minded pa-

triotism on the one hand, and this wretched penuriousness on the other. It might perhaps break up too, that low arithmetical politics which has had too long the ascendancy in the councils of the nation. It would bring the real sides of the alternative, clearly and undisguisedly, into view; making it quite palpable, that the maintenance of the general population was in no way affected by taxes; so that after this element had been discharged from the reasoning, it would become manifest as day, that taxation and the public service might be indefinitely extended, without one earthly interest but that of the landlord's being made to suffer from it.

There is one obvious effect that would ensue from this great change in the financial system of the country. It would lower the money price of manufacturing labour; and so, by cheapening, it would enlarge our exports. The taxes at present do not neutralize; but they so far countervail the natural advantages of British industry, as to bring us sooner than otherwise to the limit of our exportation. By enlarging this limit, and so extending our foreign markets, we should certainly export a greater amount of manufactures than we do at present; and this would seem to land us in what we certainly do not hold to be a desirable object, the increase of our excrescent population. It should be recollected, however, that the same remission of taxes which would cheapen manufacturing, would also cheapen agricultural labour; and so, would

both let forth the agriculture upon inferior soils, and spread a more strenuous cultivation over the whole territory. There would, along then with the extension of our commerce, be an extension of our agriculture ; so that the one might possibly not overlap the other to a greater extent than before. The return imports for the additional exports, need not consist of additional agricultural produce, to feed the then larger excrescent population. They may consist of additional foreign luxuries, to be purchased by the landed proprietors, whose then larger revenues, from the extension of the agriculture, should enable them to live more sumptuously than before. Or they may consist of additional second necessaries, so named, because, though imported from abroad, they do, in fact, form objects of demand, and so enter into the maintenance of the general population. We have already adverted, and with feelings of gratulation, to the dissimilarity between Britain and those smaller states, whose importance and glory departed when their commerce abandoned them. The difference lies in the amplitude of our agricultural basis, so that although commerce should forsake our shores, we should find a resource and a harbourage for almost all the population who are now employed in it. Now, whatever adds to the agricultural basis, augments this security ; and the remission of all taxes which bear on the maintenance of labour, has clearly this effect. It is tantamount to making the country a larger one than

before ; and the likelihood is, that with all the facilities given by this financial reform to manufacturing labour, yet, with the commensurate facilities given at the same time to agricultural labour, the excrescent population might not have a greater proportion to the natural, after the change than before it.

SYNOPTICAL VIEW of the *Political Economy* of this
*Volume.**

It has not been our object to deliver a regular system of political economy. It has been to establish the following specific proposition—That no economic enlargements in the wealth and resources of a country, can ensure ought like a permanent comfort or sufficiency to the families of the land. Followed up as these enlargements are, by a commensurate, or generally by an overpassing increase of the population—the country, while becoming richer in the aggregate, may continue to teem with as great, perhaps a greater, amount of individual distress and penury, than in the humbler and earlier days of her history. In these circumstances,

* The foot-note references to books in this article, are to former publications of the Author ; wherein some of the principles of the present work have been stated and defended.

the highway to our secure and stable prosperity is, not so much to enlarge the limit of our external means, as so to restrain the numbers of the population, that they shall not press too hard upon that limit. But the only way of rightly accomplishing this, is through the medium of a higher self-respect, and higher taste for the comforts and decencies of life among the people themselves. It is only a moral and voluntary restraint that should be aimed at, or that can be at all effectual; the fruit, not of any external or authoritative compulsion, but of their own spontaneous and collective will. This is evidently not the achievement of a day, but the slow product of education, working insensibly, yet withal steadily and surely, on the habits and inclinations of the common people; begetting a higher cast of character, and, as the unfailing consequence of this, a higher standard of enjoyment; the effect of which will be, more provident, and hence, both later and fewer marriages. Without this expedient, no possible enlargement of the general wealth can enlarge the individual comfort of families; but, as in China, we shall behold a general want and wretchedness throughout the mass of society. With this expedient, no limitation in the way of further increase to our wealth will depress the condition, though it will restrain the number of our families; but, as in Norway, we shall behold the cheerful spectacle of a thriving, independent, and respectable peasantry.

But though our main object has been to exhibit

such proofs and illustrations as may have occurred to us for the establishment of this position; and though we do not profess to have unfolded, in our volume, political economy, according to the forms, and in the nomenclature of a science; yet a political economy, such as it is, may be gathered out of it. We may not have accomplished the regular construction of a system, be it right or wrong, but we have at least furnished the materials of one; and we conclude with a brief exposition of its leading principles and peculiarities.

1. The division of the labouring population into the agricultural, the secondary, and the disposable. It presents many new and important relations in the science of political economy. No ground will be cultivated, (unless by the interference of some artificial and compulsory legislation,) that is not at least able to feed the agricultural population employed on it, and their secondaries. Hence the higher the standard of enjoyment is among the people at large, the greater will be the secondary, and the less will be the disposable class; or, corresponding to this, the greater will be the wages, and the less will be the rent, while, at the same time, the more limited will be the cultivation, because of the larger produce that will be required from the soil last entered on, to feed the larger number of secondaries.*

2. That the great aim of every enlightened phi-

* "Extent and Stability of National Resources."

lanthropist and patriot, is to raise the standard of enjoyment; even though it should somewhat lessen the rent, and somewhat limit the cultivation. That there must be less food raised in virtue of this narrower cultivation; and hence, a somewhat narrower society. But that this, with general comfort among the families, is vastly preferable to a more numerous society, with all the consequent miseries of an over-peopled land.

3. That there is no other method by which wages can be kept permanently high, than by the operation of the moral preventive check among the working classes of society; and that this can only be secured by elevating their standard of enjoyment, through the means both of common and Christian education.

4. That however menacing an aspect the policy, whose object is to raise the condition of the working classes, may have on the interest of the landlords, by encroaching on the rent of land—yet they have every security for a great and growing revenue notwithstanding. Such, in the first place, is the strength of the principle of population, that there is no danger but wages will be kept sufficiently low, and cultivation be carried down among the inferior soils sufficiently far. And besides, every improvement in the methods of husbandry, by lessening the agricultural population needed for the work of farms—and every improvement in the powers of manufacturing industry, by lessening the

* “Christian and Civic Economy of Large Towns.”

population needed for preparing the second necessities of life,—will serve to increase the disposable population who are at the service of the landlords, and, along with this, the rent out of which this third class of labourers is maintained. The improvements which are ever taking place in the powers of labour, will greatly more than counter-vail any diminution, effected by the moral check, on the number of labourers. Or, in other words, the standard of enjoyment may rise, and yet the income of landlords rise along with it. Human industry, aided by human skill, is ever becoming more productive; and, from this cause, if workmen will only assert and make good their own proper share of the increased produce, there are abundant means for the comforts both of the proprietors and of the general population being enlarged contemporaneously.

5. That high wages are not necessarily confined to the period when the wealth of society is in a state of progressive increase; and neither does it follow, that, when this wealth has attained its maximum, and become stationary, the wages of labour must be low. That it remains in the collective power of labourers to sustain their wages at as high a level in the ultimate, as in the progressive stages of the wealth of a country. That the moral preventive check on population can achieve and perpetuate this result; but that nothing else will do it.

6. That in every country, where the laws are efficient and equitable, and the people are industrious, the cultivation of the soil will, under the guidance of personal interest and enterprise, be carried to the extreme limit of its being profitable. That, in these circumstances, to enter on a scheme of home colonization, is to extend the agriculture beyond this limit; or, in other words, to enter upon soils which will not repay the expenses of their cultivation. That such a process can only be upheld by taxation, or by turning so many of the disposable population either into agrarians or secondaries. That the process reaches its ultimatum, when the last man of the disposable population, withdrawn from the preparation of luxuries, is converted into an agricultural or secondary labourer. That this implies a state of things, when the whole rent of the land is absorbed in the expenses of a pauperism, now accumulated to the uttermost. That by the time when such a consummation is reached, and probably long before it, the landowners, loosened from all interest or care in their estates, would abandon the administration of them. That when once the tie of property was broken, there would ensue an immediate dissolution of society. That the occupiers or labourers on the inferior soils, now deprived of the essential support, which, through the medium of their proprietors, they drew from the superior ones, would turn, in violence, on the more fortunate occupiers of the better land. And finally, that, whatever temporary

respite society might obtain from a scheme of home colonization, it is a scheme which, if persisted in, must have its final upshot in the most fearful and desolating anarchy.

7. That this contemplation suggests two distinct limits—one, the extreme limit of a profitable, another, the extreme limit of a possible cultivation. That, by abstaining from schemes of pauperism, and, instead of these, giving the whole strength and wisdom of government to the best schemes of popular education, we shall keep within the former limit; and, with an untouched disposable population, whether for the luxury of proprietors, or for the public objects of a sound and enlightened patriotism, we may have, at the same time, the general population in a state of respectable comfort and sufficiency. But if, transgressing the former limit, we enter, with our home colonists, on unprofitable soils, and so make way towards the latter limit—from that moment, in thus making room for a larger, we are on the sure road to a greatly more wretched society than before; and degrade throughout the condition of the working classes, while we at once impoverish the landlords and enfeeble the state, by trenching on the disposable population.

8. That no trade or manufacture contributes more to the good of society, than the use or enjoyment which is afforded by its own commodities; hence the delusiveness of that importance which has been ascribed to them, as if they bore any creative part in augmenting the public revenue, or

as if, apart from the use of their commodities, they at all contributed to the strength or greatness of the nation; and hence, also, the futility of the common distinction between productive and unproductive labour.*

9. That although commerce re-acted most powerfully on agriculture at the termination of the middle ages, so as to introduce a new habit of expenditure among the landlords, and mightily to extend the cultivation of land—yet, now that the habit is firmly and fully established, we are not to imagine, though any given branch of trade or manufactures should be extinguished, that it will sensibly throw back the agriculture. For that no proprietor would let down the cultivation of his estate, because the failure or fluctuation of particular trades had placed beyond his reach some of his wonted enjoyments. That he would still be at no loss for objects on which to spend his income; and that, therefore, a large income would be as much his earnest aim and his felt interest as before.

10. That there is, therefore, a misplaced and exaggerated alarm connected with the decay or the loss of trade. That the destruction of a manufacture does not involve the destruction of the maintenance now expended on manufacturers; and that the whole mischief incurred by such an event would be to them a change of employment, along with a change of enjoyment to their customers; after which, we should behold, in every country

* “Extent and Stability of National Resources.”

subsisted by its own agricultural produce, as large a population as well maintained as before.*

11. That they are chiefly the holders of the first necessaries of life, or landed proprietors, who impress, by their taste and demand, any direction which seemeth unto them good, on the labours of the disposable population.

12. Grant but industry and protection, and then capital will be found to have in it as great an increasing and restorative power as population has; and that any policy for fostering, or any fears for the decay of the one, are as chimerical as the same policy or the same fears in reference to the other; and that capital can no more increase beyond a certain limit than population can.†

13. That the diminution of capital, occasioned by excessive expenditure, whether public or private, is not repaired so much by parsimony, as by the action of a diminished capital on profits; and that the extravagancé of government or of individuals, which raises prices by the amount of that extravagance, produces only a rotation of property, without any further diminution of it, than what arises from the somewhat higher rate of profit, which an increased expenditure brings along with it; and which higher rate of profit must, to a certain extent, limit the cultivation of land.

14. That trade is liable to gluts, both general and partial; that no skilful distribution of the ca-

* "Extent and Stability of National Resources."

† "Christian and Civic Economy of Large Towns."

pital among particular trades, can save the losses which ensue from a general excess of trading; and that the result is the same, whether the undue extension has taken place by means of credit, or from an excess of capital.

15. That the rate of profit is determined by the collective will of capitalists, just as the rate of wages is by the collective will of labourers—the former, by the command which they have, through their greater or less expenditure, over the amount of capital; the latter, by the command which they have, through their later or earlier marriages, over the amount of population. That by raising or lowering, therefore, the standard of enjoyment among capitalists, profit is raised or lowered; that, in this way, both classes may encroach on the rent of land, and share its produce more equally with the landlords.

16. That when the agricultural produce of a country is equal to the subsistence of its population, its foreign trade is as much directed by the taste, and upheld by the ability, of its landed proprietors, as the home-trade is.*

17. That it is not desirable that the commerce of Britain should greatly overlap its agricultural basis; and that the excrescent population, subsisted on corn from abroad, yield a very insignificant fraction to the public revenue.†

* “Extent and Stability of National Resources”—and
“Christian and Civic Economy of Large Towns.”

† Ibid.

18. That, nevertheless, there should be a gradual relaxation of the corn laws, and ultimately a free corn trade—with the exception of a small duty on importation, for the single purpose of a revenue to government, by which to meet the expenses to which it is subjected, from the addition made by the excrement to the whole population.

19. That the abolition of their monopoly in corn, would not be injurious to the British landlords; saving that the increase thereby given to the value of money, might create an inequality between them and the fund-holders—which inequality, however, could be rectified, by means of an adjusted taxation.

20. That, probably, a free corn trade would not burden the country with a large excrement population.

21. That Britain has little or nothing to apprehend from the loss of her colonies and commerce—but that a change of employment to the disposable population, and of enjoyment to their maintainers, would form the whole result of it. And that though, historically, foreign trade did, at the termination of the middle ages, stimulate agriculture, yet that now, under all the possible fluctuations of trade, there is perfect security for the cultivation of land, on to that point at which it ceases to yield any surplus produce to the landlord.

22. That, with the exception of their first brief and temporary effect on wages and the profits of circulating capital, and of their more prolonged effect on the profits of fixed capital—all taxes fall

upon land ; the interest of its mortgages being included.

23. That this doctrine, though now regarded as one of the exploded errors of the French economists, should not share in the discredit attached to their school—if upheld by other reasonings, and made to rest on other principles, than those of the economists. That the grounds on which our conviction in this matter is established, were never once recognised by these economists—that is, the dependence of wages on an element over which labourers, collectively, have the entire control—we mean population ; and the dependence of profit on an element over which traders, collectively, have the entire control—we mean capital.

24. That, to estimate the whole effect of taxes upon land, we should add to the effect of them, in aggravating the expenditure of landlords, the effect of them in lessening their receipts. That every tax which bears on the profit or maintenance of the agricultural capitalists, and which bears on the wages or maintenance of the agricultural, and their secondary labourers, and, generally, which enhances the expenses of farm management—creates a deduction, *pro tanto*, from the rent. That, for the commutation of all taxes into a territorial and funded impost, there would be a full equivalent to the landlords—first, in the lessened expenses of their living ; and, secondly, in the enlarged rent of all the land now under cultivation. And that they, over and above, would obtain more than an equi-

valent, in the new rent which would accrue from the more extended cultivation of their land, now unburdened of all those taxes by which the cultivation had formerly been limited.

25. That the effect of tithes, in contracting the agriculture of a country, is the same with that of taxes on capitalists, or labourers, or the instruments of husbandry; and that the abolition of both would, in the first instance, enlarge the comforts of the general community; but, at last, would prove exclusively a boon and an enlargement to the landlords.

26. That tithes and taxes ought not to be abolished, but commuted, as there ought to be a more liberal provision for the various branches of the public service; and, more especially, for the support of the literary and ecclesiastical establishments, the endowment of which is indispensable to high scholarship, and to the full Christian instruction of the people.*

27. That the extreme limit of taxation is the landed rental of the kingdom; and that, were taxation carried to this limit, it would place the great bulk of the disposable population in the service of the state.

28. That the capabilities of the nation for defensive war are greatly underrated—they being at least commensurate to the extent of the disposable population.†

* “On the Use and Abuse of Literary and Ecclesiastical Endowments.”

† “Extent and Stability of National Resources.”

29. That the superior influence of Britain over other nations in distant parts, is due to her exports; and that if, instead of her lighter manufactures, she had to export raw produce, her power in offensive war would be lessened, while she might continue as strong in defensive war as before; and that, therefore, the balance of power is a topic of needless and misplaced anxiety on the part of British statesmen.

30. That the national debt is tantamount to a general mortgage on the land of the kingdom, and that it has occasioned no diminution of capital—the absorption of capital by the government loan of any particular year, being replaced next year by the operation of the diminished capital upon profits.

31. That if the expenses of a war are raised within the year, they do not enhance general prices; but that, in as far as they are defrayed by loans, prices rise, and so that the excess upon the whole is equal to the sum borrowed.*

32. That the national debt is therefore a double burden upon the community, having been already paid once in the excess of those higher prices which are consequent upon each loan; and to be paid a second time, either by a perpetual interest, or by the liquidation of the principal.

33. That the nation is as able to pay the expense of any war by taxes within the year, as by taxes and loans together—seeing that, in point of fact,

* “Christian and Civic Economy of Large Towns.”

it does pay the loans within the year too, in the higher prices which these loans have occasioned.

34. That the law of primogeniture is essentially linked with the political strength, and other great public interests of the nation.

35. That, on the whole, no enlargement of our economical resources will suffice for the wants of a population, who are under no moral or prudential restraint on the increase of their numbers. That the effect of each successive addition to the means of our subsistence, will, in that case, be only a larger, but not a more comfortable or better-conditioned society. That however numerous, or however successful the expedients may be, for adding to the amount of national wealth—they will be nullified, in point of effect on the sensible comfort of families, by the operation of but one expedient more, which shall ensure a proportional, or beget a tendency towards greater than a proportional, addition to the national population. That a law of compulsory relief for the poor is precisely such an expedient; and that so long as it is in operation, every other device which philanthropy can suggest, or even an enlightened political economy can sanction, will turn out to be futile and abortive.*

36. That but for this disturbing force, which so unsettles the providential habits of the people, and so undermines every principle, whether of nature

* "Christian and Civic Economy of Large Towns," and Pamphlets on Pauperism, *passim*.

or Christianity, to the spontaneous operation of which the care of the poor ought always to have been confided—society might undergo a very speedy amelioration. Because that a very small excess in the number of labourers, effects a very large and disproportionate reduction in the price of labour; and therefore, by a reverse process, it might only require a very insignificant fraction of relief from the numbers of the people, to operate a very large relief on their circumstances and comforts. That emigration for the lessening of the number, and the various other economical expedients for the enlargement of the means, will be of but slight and temporary effect, so long as the law of pauperism shall maintain the population in a state of perpetual overflow. But that, if these were related to a scheme for the gradual abolition of the pauperism, they would smooth the transition from a system of compulsory, to one of natural and gratuitous relief; after which, it were in the power of common, and more especially of Christian education, indefinitely to raise the habits and tastes, and, along with these, to raise the economical condition of the people.

FINIS.