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BRITAIN
INDEPENDENT OF COMMERCE;
OR,
PROOFS,
DEDUCED FROM AN INVESTIGATION INTO
THE TRUE CAUSES
OF
THE WEALTH OF NATIONS,
THAT
OUR RICHES, PROSPERITY, AND POWER,
ARE DERIVED FROM
RESOURCES INHERENT IN OURSELVES,
AND
WOULD NOT BE AFFECTED,
EVEN THOUGH
OUR COMMERCE WERE ANNIHILATED.

BY WILLIAM SPENCE, F.L.S.

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

LONDON:
PRINTED BY W. SAVAGE, BEDFORD BURY,
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1807.

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74.6**BRITAIN INDEPENDENT, &c.**

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

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

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

which is painful to them, and which they have adopted with reluctance. Certainly no very pleasing reflections can occupy the mind of that Briton, who is impressed with the belief, that his country's greatness, the high rank she at present holds amongst nations, and her eventual existence, depend on circumstances, which it is in the power of a thousand accidents to render unfavourable to her. Every day brings to his view fresh evidence of the precarious footing on which our commerce rests. The idea, which a few years ago would have been laughed at, that any man could acquire the power of shutting the whole Continent against our trade, seems now not unlikely to be realized. Already all the Continent, with the exception of Russia, Sweden, and Denmark, is under the direction of our enemy, and we know, that if he chuses to give the command to Denmark, to shut the entrance to the Baltic against us, she dares not hesitate to obey. America, too, one of the principal of our customers, has prohibited our commercial intercourse with her, so that we are nearly excluded from the two most important quarters of the globe. Even if Buonaparté be by some favourable occurrence obliged to give up his scheme of excluding us from the Continent, and our disputes with America be compromised, still the idea is most humiliating and distressing, if our commerce be really the source of our vigour, of our very life, that the continuance of this commerce is dependent on events wholly out of our power to control, and such as are more likely to be against us than in our favour.

There can be no doubt then, if such be the painful nature of those opinions, which resolve our greatness into our commerce, that all those who hold such opinions, would be highly gratified to have their fallacy proved to them. They would doubtless be rejoiced to have it convincingly made out, that our greatness is independent of our commerce, and

that our glory and our prosperity need not suffer diminution, even though we had infinitely less trade than we have. Even our merchants and our manufacturers, much as they are individually interested in the continuance of commerce, as patriots, must listen with satisfaction to any arguments which should set their mind at rest, as to the stability of our wealth and our power. And surely the proprietor of land, of funded property, indeed all who have nothing to do with trade, would be delighted, if they could be convinced, that their country, and the stake they have in it, are independent of the threats of an emperor, or the caprice of a republic; and that though Europe and America, Asia and Africa, were to resolve never more to use an article of British manufacture, still this favoured isle has the means within herself, not merely of retaining the high rank which she possesses, but of progressively going on in her career of prosperity and of power.

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

poor inhabitants of the countries, who are prevented from buying our manufactures, than us that are hindered from selling them.

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

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

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

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

The poetical economists—who have investigated the sources of wealth, may be divided into two great classes; of which one may be termed the mercantile sect, and may be considered as including almost all the authors who have written on this subject, as well as almost all who talk upon it: the other, the agricultural sect, the principles of which were first promulgated by Mons. Quesnoi, and others in France, who have been generally known by the name of the French Economists, and who have had at any time but few followers.

The mercantile sect contend, that commerce and manufacturers are by far the greatest, if not the sole sources of wealth, and they refer you for proofs of

the truth of this opinion, to Tyre, Carthage, Venice, Holland,—states, which by their commerce with very little territorial possession, attained acknowledged wealth; and to those who are actively engaged in these employments, to the merchant and the manufacturer, whose riches are proverbial. Impressed with this conviction, this sect has consistently advised the most active encouragement of commerce and manufactures, by every means possible. In behalf of the former, it has procured monopolies, restrictions, or bounties, as seemed best likely to answer the end, and in favour of the latter, it has even been thought politic to oppress the agricultural branch of industry; and the farmer has for a very long period been prohibited from exporting his wool, to the end, that the manufacturer might purchase it on terms lower than what might be obtained from other nations.

The agricultural sect, or the followers of the French Economists, on the other hand, maintain, that the only source of wealth to a nation is agriculture. They deny, that any wealth is derived from the fabrication of manufactures, and they allow but little to be derived from commerce; and in support of these singular opinions, they thus reason: The farmer, say they, out of the produce of the land which he cultivates, besides maintaining his family, pays to the owner of his land a net surplus, under the name of rent. This surplus must be regarded as clear profit; for it remains after every expense attending the cultivation of the land is repaid, and is, in fact, a new creation of matter which did not before exist. Now it will be seen, that no such surplus, or net profit, attends the labour of the manufacturer. Though he certainly must be allowed, by means of his industry, to add considerably to the value of the materials he works upon, yet this value is not greater than the value of his subsistence, during the time he has been employed in adding this additional value; and whatever profit may be drawn by the sale of such manufactures, will be found

merely to be a transfer of property from one to another, and in no case to add to the sum of national wealth. This will be evident if we consider an illustrative example: A lace maker, for instance, may, by means of a year's labour, convert a pound of flax, worth one shilling, into lace worth ten pounds. In this case, says the disciple of the mercantile sect, the nation is richer by this man's labour to the amount of the additional value conferred upon the flax. Through his industry, nearly ten pounds have been added to the wealth of the nation. But this the economist denies. The lace manufacturer, he says, must, during the year he was employed in manufacturing his lace, have drawn his subsistence from some where, and as in all countries the labouring class derives but a bare subsistence from its labour, he must in this period have consumed a quantity of food equal in value to ten pounds. Thus then we have gained lace worth ten pounds, but food has been expended to the same amount, so that no profit has been the result of this manufacturing industry. All that can be conceded in favour of the manufacturer is, that he has fixed or transmuted the value of a perishable article into one more durable. He has converted ten pound's worth of corn, into ten pound's worth of lace. Even if we suppose, that the master manufacturer, he who furnished subsistence to the labouring manufacturer, of whom we have been speaking, until his work was finished, were to affix to this lace an additional value of 5*£*. if he were to sell it for 15*£*. still this would be no creation of wealth to the nation; for precisely what he gained, the consumer of the lace would lose; a transfer of wealth, therefore, not a creation of it, would ensue. If he, to whom the lace was sold, had bought it for 10*£*. the exact price which it cost, he would then have been richer by the 5*£*. which on the contrary supposition, would have gone to the master manufacturer; but it is plain, the nation would not have been less wealthy, in consequence of

£.5. being in one man's pocket, rather than in that of another. The same reasoning will apply to every species of manufacture, the increased value of which may in every case be resolved into the subsistence of the labouring manufacturer, and the profit of his employer.

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

The Economists, however, though they deny that any national wealth is derived from commerce of import, allow that national wealth may be, and is, derived from commerce of export. The profit of the exporter, above what the articles exported have cost, they grant, is so much profit to the nation; yet they contend, that a very small proportion of the wealth of any nation, possessed of extensive territory, can be derived from this source, since the ut-

most profit which can be supposed to be gained on the exports of the most trading nation, is trifling when compared with its actual wealth. Britain, which exports more than any other country ever did, does not value her exports at more than fifty millions annually, from which there cannot be more than ten millions profit derived; a mere trifle in the wealth of a nation which every year pays three or four times as much in taxes.

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

In these varying opinions of the commercial and agricultural sects, there seems to be some truth, and some error, on both sides; yet an attention to the facts on which the Economists build their system, stripped of the intricacy which attends every inquiry into matters of political economy, in consequence of the custom of estimating the value of every thing in money, will probably show, that they are correct in deducing all wealth from agriculture, though they may have erred in the practical application of their system, at least, to the circumstances of European nations.

That the examination into the truth of the opinion of the French Economists, that agriculture is the only source of wealth, may be rendered as simple as possible, let us inquire what would take place in a country constituted much in the same way as this country is; where there should be a class of land proprietors, a class of farmers and a class of manufacturers, but where there should exist no money

of any kind, no gold, silver, or paper, in fact, no circulating medium whatever. In such a society, the land proprietor must receive his rent in kind, in corn, cattle, or whatever may be the produce of his land; and all transactions between man and man, must be carried on by the medium of barter. However inconvenient such a state of society might be, it may be very well conceived to exist, and has, indeed, existed in a great degree, at one period, even in our own country. In a nation so circumstanced, though part of the subsistence of the manufacturing class would be drawn from the farmer, from the profit which would remain with him after the maintenance of his family, and the rent of his landlord were deducted, yet by far the largest portion of their subsistence, it is evident, must be drawn from the class of land proprietors; from that surplus produce paid to them under the denomination of rent. It will therefore in a still greater degree simplify our illustration, if we suppose, what will in no respect influence the accuracy of our reasoning, that the *whole* of the subsistence of the manufacturing class must be derived from the class of land proprietors.

From this system results such as the following would ensue: the competition which would necessarily take place amongst the class of manufacturers, to dispose of their articles to the land proprietors, would restrict the price of these articles, as is the case at present, to a quantity of provisions barely necessary to replace the subsistence of the manufacturer, whilst he had been employed on them. This being the case, all the articles which the manufacturer might fabricate in the course of a year, would by the end of that year, be in possession of the land proprietors, in exchange for provision. All the food which the class of land proprietors had to dispose of, would, by the industry of the class of manufacturers, be transmuted into various articles of use, or of luxury; and these remaining and accumulating with

the former class, it would in time heap up great wealth, by this successive and constant transformation of its riches. None of this wealth, however, could with truth be said to have been brought into existence by the manufacturer, for as the land proprietor had given in exchange for the produce of the manufacturer's labour, an equal value in food, which no longer remained in existence, all the merit which could justly be conceded to him, would be his having transmuted wealth of so perishable a nature as food, into the more durable wealth manufactures.

But it may be asked, would not the master manufacturer draw from the land proprietor, as the price of his articles, a greater quantity of food, than he had advanced to his labouring manufacturers employed in their fabrication? We may grant, that this would be the case, still, whatever might be the amount of this surplus, even were it considerably more than was necessary for his own subsistence, no wealth would be brought into existence by his profit. The master manufacturer might indeed acquire riches, by an accumulation of such profits, yet the whole of his gains would be at the expense of the land proprietors, and no addition would be made to the national wealth. An example will demonstrate this: If a coachmaker were to employ so many men for half a year in the building of a coach, as that for their subsistence during that time, he had advanced fifty quarters of corn, and if we suppose he sold this coach to a land proprietor for sixty quarters of corn, it is evident, that the coachmaker would be ten quarters of corn richer, than if he had sold it for fifty quarters, its original cost. But it is equally clear, that the land proprietor would be ten quarters of corn poorer, than if he had bought his coach at its prime cost. A transfer, then, not a creation of wealth, has taken place, whatever one gains, the other loses, and the national wealth is just the same. This illustrative example will apply to every imagin-

able case, of the sale of manufactures fabricated and sold in our supposed society, however complex the operations they might pass through, or how many soever the number of hands employed on them. In every instance, their price would resolve itself into the amount of the food consumed during their fabrication, by the labouring manufacturer, and into the profit of the master manufacturer; the former, we have shown, is merely a conversion of one sort of wealth, into another sort of the same value, and the latter is in every case a transfer of wealth, merely from the pocket of the buyer to that of the seller.

It may be inquired, by those who are so dazzled by the wealth gained by the manufacturer in this country, Would he on such a system as we have imagined, acquire wealth as he does now? for if he did not, if all the wealth of the country remained with the land proprietor, this supposed state of society would be very different from the one we witness, where so many manufacturers are rich, and so many proprietors of land, poor. This query has been in part answered already, as the admission has been made, that the master manufacturer would demand a profit on the articles he had caused to be fabricated, and it is clear, that by an accumulation of these profits, he would acquire wealth. At the same time, it is not difficult to perceive, that in a society without a circulating medium, as in a society with one, many of the class of land proprietors would be always poor. There would be found there, men whose love of grandeur and of pleasure, would lead them to spend every grain of their income in kind, as there are men found here, whom the same motives cause to spend every guinea of their revenue in money.

If the foregoing observations have convincingly shown, that in a state of society in which every transaction should be carried on by barter, all the wealth of such a nation would be created by agriculture, none by manufactures, there will not be need of fur-

ther argument, to prove to the philosophical inquirer, that the very same results must take place in a society where a circulating medium is made use of. Yet as there is an idea prevalent, that the employment of a circulating medium materially affects the creation of national wealth, it will not be amiss to examine this subject a little further.

The circulating medium of civilised nations, is either gold and silver, or paper. Gold and silver are undoubtedly wealth, yet they are but a small portion of what has properly a claim to that title; and a nation which has abundance of gold and silver, is, in fact, not richer than if it had none. It has paid an equal value of some other wealth for them, and there is no good reason why it should be desirous of having this, rather than any other species of wealth; for the only superiority in value, which the precious metals possess over other products of the labour of man, is their fitness for being the instruments of circulation and exchange. But, in this point of view, the necessity of having gold or silver no longer exists. Experience has in modern times evinced, that paper, or the promissory notes of men of undoubted property, form a circulating medium, fully as useful, and much less expensive. No one will pretend to say, that the wealth of Great Britain consists of gold and silver, because every one knows, that these metals do not form a tythe of her circulating medium; yet multitudes will maintain, that this circulating medium, composed chiefly of paper, is a portion of national wealth. No position, however, can be more false than this. If gold and silver be but the representative of wealth, much more is all the paper in circulation, but the representative of wealth, the shadow, not the substance, nay, in many cases, it is the representative of nothing—the shadow of a shade. When the Bank of England coins a million of pounds worth of notes, does it issue them without receiving an equal value for them, or, at any rate, without having security for the amount?

And when a swindling country banker, without fortune, has persuaded the surrounding country to take his notes in exchange for real property, do not his deluded customers find, to their cost, that these notes are not wealth, but merely the representative of the wealth of which they have been duped? If all those who have any paper money in possession, were to demand to be paid its value, would they be content to be paid in other paper? Would they not say, Give us gold or silver, or if you have not these, divide your property, your land, your houses, your merchandize amongst us?

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

The grand axiom, then, of the Economists is undoubtedly founded in truth. It remains to be examined, whether the application, which they deduce from it, be equally accurate. Believing agriculture to be the grand source of wealth, they advise, that the utmost encouragement should be given to it; and they recommend, that as many as possible of the manufacturing class, in those countries where

manufactures abound, should become cultivators. In the natural order of prosperity in a state, they contend, that agriculture produces manufactures, not manufactures agriculture. Hence, they say, until every acre of waste land be cultivated, and every field managed in the most productive mode, it is advisable, that manufactures should be but slightly attended to.

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

The greater part of Europe, and Britain amongst the rest, has been formerly subject to the feudal system. On this system, the king was considered as the proprietor of the soil. This he divided amongst his nobles, on condition of their performing certain military services; and they again subdivided their portions, distributing part amongst their vassals, who were bound to attend them in their warlike undertakings, and retaining what they deemed sufficient for their own wants. That part of the soil retained by the lord, which was near home, was cultivated by the *Villeins* for his immediate use and benefit; and such lands as were at a distance, were committed to the management of the *Ceorls*, or peasants, on condition of their yielding up a portion of

the produce as rent. At this period, manufactures, as a separate branch of industry, were not known. The few articles necessary in such a rude state, were fabricated by some individual of the family which wanted them, and the class of manufacturers had no existence. In such a state of things, agriculture must have been in an extremely unimproved condition. The vassal, who was entitled to the whole produce of his land, not having the means of disposing of any surplus, could have no inducement to raise more corn than his own family required, and the Villeins and Ceorls, by whom the food consumed by the household, and the retainers of their lord, was produced, having no motive for exertion, would naturally content themselves with the inefficacious processes of their forefathers, and raise not one grain more than they could help. Indeed, the fact, that at the period of which we are speaking, an acre of the best land was not worth more than four sheep, abundantly proves the wretched state of agriculture. Neither could any wealth be accumulated in such a state of society. For as there was no class of manufacturers, to convert, by their labour, the produce of the earth into more durable wealth, all the surplus food brought into existence one year, was consumed before the next, by those most unproductive of all the members of society, a crowd of menial servants, and of military retainers.

This system of things continued for some centuries, and it is probable would have been in existence in a great degree even at the present moment, had it not been for the fortunate occurrence of an event, to which may, in truth, be attributed all our wealth and greatness; and to which, it is not exaggeration to say, we are indebted, that we are not now as ignorant and as oppressed as are those where this event has not yet taken place. The occurrence to which I allude, was the establishment of a new and distinct class in society—the class of manufacturers. It is not to be supposed, that this event took place all at once—

that it happened in consequence of some edict or resolution of any part of the community: it was brought about gradually, by the operation of various causes: principally, perhaps, in consequence of the invasions to which Britain was then subject, which introduced, from the Low Countries, and the more civilized parts of Europe, manufacturers of various new articles of use or of luxury.

The results of the institution of this new class of society, were most important. Man is naturally selfish. The lords and land proprietors embraced with eagerness the opportunity offered to them, of devoting the surplus revenue which they were accustomed to consume in supporting a crowd of dependents, to the purchase of manufactures of convenience, or of elegance for their individual gratification. To enable them to attain an abundant share of objects, from their novelty so attractive, it was necessary, that their surplus revenue should be as large as possible, and that it should be in money. Hence, they were willing to let to the *Villeins* and *Ceorls*, for a fixed sum of money, the land which the former had been accustomed to cultivate wholly for their benefit, and the latter to occupy, on condition of paying them a rent of the greatest part of their produce. When once these grand events, the establishment of a class of manufacturers, and the substitution of a fixed rent in money, for an uncertain one in kind, were brought about, improvements in agriculture advanced with rapid strides. The farmer having now a market for his produce, and the power of enjoying, without interruption, any profit he might make, would be stimulated to redoubled exertion. He would be desirous of cultivating as much land, and of rendering what he cultivated as productive, as possible. Wealth would now begin to accumulate. The produce of the earth, which was before dissipated by an unproductive tribe, which left behind it no vestige of a return for its consumption, would now be converted into permanent and durable

wealth, by the manufacturing class; which has the great merit of always returning an equal value for the subsistence it consumes. Affairs being thus arranged, prosperity would attend every branch of the community. The increasing population of the manufacturing class, would require more land to be cultivated, and thus employment would be provided for the additional population of the agricultural class, which would consequently be enabled to give greater rent to the land proprietors. These last, again, would have increased power of providing employment for the manufacturing class, and thus, of affording its members the means of increased consumption.

Without entering into the consideration of many other beneficial and highly important effects which resulted from the operation of this system, such as the formation of privileged towns, the reduction of the arbitrary power of the nobles, and the consequent spread of liberty and of science, I think, it is sufficiently obvious, from the reasoning which has been used, that the extension and improvement of agriculture has, at least in Britain, depended upon the influence of manufactures, and consequently, that the tenet of the Economists, that manufactures are a consequence of improved agriculture, not improved agriculture of manufactures, is, when considered as an universal doctrine, founded in error.

The truth of this opinion will be still more evident, if we attend to the facts which the other nations of Europe, all of which were originally under the same feudal system, present to us. We shall find, that all those countries which have abounded in manufactures, have been extensively cultivated, and have in course become rich, whilst, on the other hand, those nations which have few manufactures, in which the class of manufacturers does not exist as a separate class in society, have made but small progress in agriculture, and are comparatively poor. Thus, the

Netherlands, where, probably, manufactures were first established in Europe, after the darkness of the period consequent upon the destruction of Roman civilization began to dissipate, have been always celebrated for their extensive agriculture; in their minute attention to which, they may be said to rival the Chinese, having converted the whole country into a garden. France, too, has long had numerous manufactures, and as she produces sufficient food for her vast population, must be tolerably cultivated. On the contrary, in Russia, Portugal, and Spain, which are dependent upon other nations for the bulk of their manufactures, agriculture has made but little progress, and these nations are far from being wealthy, notwithstanding the extent and fertility of their soil.

But, not only are the Economists in error, in denying, that improved agriculture is the effect of manufactures: their opinion, that the wealth of nations, constituted as those in Europe are, is to be increased by attending chiefly to agriculture, and by extending the farming, even at the expense of the manufacturing class, is equally incorrect. The Economists say, it would be much more to the interest of a country, if the greater part of those who are now employed in manufacturing articles of luxury, were to become cultivators of the earth; and they contend, whilst a waste acre remains in any country, it would be better, that its inhabitants should engage in its cultivation than in any manufacture whatever. A very slight examination of this doctrine, will show its fallacy.

It has been already admitted, that in countries like America, where land is to be had for almost nothing, where a farmer lives by *consuming* the whole produce of his farm, not by *selling* it*, it is advisable, that

* "The general object of farming here, (America) is not the same it is in England. Here a man proposes to live by his farm *directly*, there it is *indirectly*; that is, he raises wheat, barley, stock, &c. for sale, consuming but a small proportion in his own family; here he raises almost every thing

the chief attention should be directed to agriculture, and so long as they can get manufactures from other nations, in exchange for their corn, they will best promote their interest by neglecting the former, and cultivating the latter product of labour. But the case is very different with respect to Europe. In this part of the world, all the soil is private property, and not an acre of it can be had for the purpose of cultivation, without paying rent for it. The farmer must derive this rent from the sale of his produce. Now, to whom is he to sell this produce? Certainly not to the class of land proprietors, which is a very small class in point of number, and consumes but a small portion of the food raised from the soil. To whom then can he look for the sale of that part of his produce which is to pay his rent, but to the class of manufacturers? And if it be from the manufacturing class, that the farmer is to derive his rent, it will follow, that whenever this class is supplied with a quantity of food sufficient for its wants, it will be impossible for a single acre additional to be cultivated. It is not enough for the farmer, to raise a sufficiency of food for his own family; he has to raise a surplus produce, which must be converted into money for the payment of his rent. But how can he dispose of this surplus, if there be already as much food produced, as there is a demand for? An extension of cultivation, then, cannot take place, without a corresponding extension of demand for the products of cultivation; and this demand can only arise from an increase in the class of manufacturers. To apply these remarks to Great Britain: It is calculated, that in this kingdom, there are twenty-two millions of acres of waste land, and it is frequently asked, by the followers of the Economists, as well as by those who

with a view to family consumption; even his clothing is made at home, and he sells no more than what will serve to buy him salt, and a few other articles.

Letter from Mr. H. Toulmin, dated Frankfort, Kentucky, 28 June, 1802, in Monthly Mag. v. xxii. p. 427.

are of a very different opinion on matters of political economy ; why this waste land is not brought into cultivation, and why such a source of riches as this is neglected. For this very good reason,—that the greater part of this land, with the present demand for, and the present prices of, the produce that could be raised from it, would not pay for cultivation. Every person who has had occasion to let land, knows, that there are many more farmers wanting farms, than there are farms to supply them ; and this being the case, it follows, indisputably, that if the waste land in the kingdom could be profitably cultivated, it would speedily be occupied by these farmers who so eagerly seek employment for their capital. Until then, in consequence of an increased demand for the products of agriculture, arising from an extension of the manufacturing class, the price of this produce, is sufficiently advanced to leave a profit on the cultivation of land at present suffered to lie waste, any considerable portion of this land, cannot be brought into cultivation without great loss. The cultivation of our waste land, is gradually taking place, in the only way in which it can take place, and in consequence of the same causes which have effected the high state of cultivation in which the greater part of Britain now is ; I mean, by the natural increase of the numbers of the manufacturing class. In proportion as the population in this class augments, an increased quantity of food is required, and when the competition arising from this demand, has gradually, and permanently raised the price of the produce of the earth, then, and not until then, the land which now lies barren will be cultivated. Indeed, there does not seem any other practicable way than this, by which agriculture can be extended in a country where the best portion of the soil is already cultivated, and where the whole is private property. Even America, though it may now be wisdom for her not to meddle much with manufactures, yet, if her population continues to multiply, as rapidly as it has

done, for another hundred years, will need the influence of a class of manufacturers to push the cultivation of her soil still further.

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

If the twelve millions of inhabitants of Great Britain, were to have the seventy-three millions of acres of land, which this island is said to contain, divided amongst them, each individual receiving six acres as his share, there can be no doubt, that the condition of the great bulk of the people, would be materially improved. Such a quantity of land would suffice for the production of "meat, clothes, and fire," of every thing necessary for comfortable existence; and the peasant, no longer anxious about the means of providing bread for his family, might devote his abundant leisure to the cultivation of his

mind, and thus realize, for a while, the golden dreams of a Condorcet, or a Godwin. Yet, however great the prosperity of such a state of society, it would be impossible for it to accumulate wealth. For, as all its members would provide their own food, there could be no sale for any surplus produce, consequently no greater quantity would be raised than could be consumed, and at the end of the year, however great might have been the amount of the wealth brought into existence, during that period by agriculture, not a trace of its existence would remain. Nor would the prosperity of such a state of society, be of long duration. In a nation where such plenty reigned, the great command of the Creator, to increase and multiply, would act in full force, and the population would double in twenty-five years. Supposing, then, this state of things to continue, in seventy-five years from its establishment, Britain would contain ninety-six millions of souls, a number full as great as could possibly exist on seventy-three millions of acres of land. Here, then, misery would commence; the difficulty of procuring subsistence would be greater to the whole of society, than it now is to a small proportion; population would be at a stand, and on any occasional failure of food, all the dreadful consequences would ensue, which so frequently befall the over-peopled country of China.

If I have been successful in showing, that the application which the Economists make of their grand axiom, that all wealth is brought into existence by agriculture, is, notwithstanding the indisputable truth of that axiom, erroneous; it will be obvious, from what has been said, that agriculture and manufactures are the two chief wheels in the machine which creates national wealth; but, that of these two, (at least in states constituted as these of Europe are) it is the latter which communicates motion to the former. To set these wheels in motion, there is, however, a necessity for a moving power, without which the

machine would act but very imperfectly. This moving power, this mainspring of the machine, which has been already hinted at, but which it will be necessary in investigating the true causes of national wealth, to consider more fully, is the class of land proprietors.

The members of every civilized society may be divided into four classes;—the class of land owners,—of cultivators,—of manufacturers, which includes those only who, by their actual labour, convert raw produce into manufactures;—and the class, to which, for want of a better name, we may give Dr. Adam Smith's title of the unproductive class. This last class includes all not comprised in any of the three former, all those who neither cultivate the earth, nor receive rent for a part of it; nor convert, by their labour, their subsistence into fixed and permanent wealth, all those, in short, whose services, as Dr. Smith expresses it, perish at the instant of their performance, and leave no tangible trace of their existence. This class includes some of the most necessary and honourable, as well as the most useless and despicable, members of society. It comprises the defender of his country; the teacher of religion, or of science; the distributor of justice; the members of the professions of law and physic; the merchant; all those who derive their income from the interest of money, whether on public or private security; the tribe of menial servants; the actor; the buffoon; and all who contribute to the mere amusement of mankind. Inasmuch as this last class consumes the produce of the earth, it is plain, that its extent, and its increase, influence the promotion of agriculture, in the same way, that the extent and increase of the class of manufacturers do; the great difference between these classes is, that while the latter replaces the food consumed by it, in some tangible commodity; the former leaves no such visible and material trace of his expended subsistence.

As it has been shown, that the whole revenue of a

country, (deducting an insignificant portion sometimes derived from foreign commerce) is derived from its land, and as the class of land proprietors, are the recipients of this revenue, it is evident, that from this class* must be drawn the revenues of the two other classes of society, the manufacturing and unproductive class. It is, in consequence of the demand of these two last mentioned classes, that the wealth brought into existence by agriculture is produced, but, as these classes do not themselves create revenue, and as they cannot consume, without being possessed of revenue to pay for the objects of their consumption, it is indisputable, that their revenue, their means of purchasing the produce of the earth, must be derived from the only source it can be drawn from, the class of land proprietors.

It is a condition, then, essential to the creation of national wealth, that the class of land proprietors, expend the greater part of the revenue which they derive from the soil. They are the agents, through whose hands the revenue of the society passes, but in

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

order that wealth and prosperity should accrue to the community, it is absolutely necessary, that they should spend this revenue. So long as they perform this duty, every thing goes on in its proper train. With the funds which the manufacturing and the unproductive classes appropriate to themselves, from the expenditure of the class of land owners, from supplying the members of this class with the various objects of necessity, or of luxury, which their desires, whether natural, or factitious, require, they are enabled to purchase the food which the farmer offers to them. The farmer being enabled to dispose of his produce, acquires the funds necessary for the payment of his rent, and thus, the revenue again reverts to the land proprietor, from whom it was in the first instance derived, again to be expended, and again to perform the same duty of circulation.

That the extension of the wealth of a society depends on the yearly expenditure of the revenue which the land proprietors derive from its soil, will be still more evident, if we consider what would be the result, if this class of society ceased to expend. Let us make the supposition, that fifty of our great land owners, each deriving 20,000*l.* a year from his estates, which they had been accustomed to spend, were to be convinced, by the arguments of Dr. Smith, that the practice of parsimony is the most effectual way of accumulating national riches : Let us suppose, that, patriotically induced by this reflection, they resolved not to spend, but to save, the 1,000,000*l.* which their revenue amounted to. Is it not self-evident, that all those members of the manufacturing and unproductive classes, who had, directly, or indirectly, been accustomed to draw the revenue destined for their subsistence, from the expenditure of this sum, would have their power of consuming the produce of the earth diminished, by the whole amount of this 1,000,000*l.* And, if so, it follows, that they would be obliged to submit to food, both less in quantity, and deteriorated in quality. The farmer, conse-

quently, could not sell so much of his produce, nor at so good a price, as before, and thus he would be incapable of paying the rent, which he had been accustomed to pay, and, in the end, the land proprietor would be as much injured by this saving scheme, as any of the other classes of society. Let it not be urged, that as this supposed sum would not be hoarded, (for misers, now a days, are wiser than to keep their money in strong boxes at home,) but would be lent on interest: It would still be employed in circulation, and would still give employment to manufacturers. It should be considered, that money borrowed on interest, is destined, not for expenditure, but to be employed as capital; that the very circumstance of lessening expenditure, decreases the means of the profitable employment of capital; and, consequently, that the employment of the sum alluded to as capital, would in no degree diminish the hardships of those who had been deprived of the revenue derived from its expenditure.

If parsimony be the most effective mode of increasing national wealth, certainly, then, this nation would be much richer, if the whole of its class of land proprietors, who receive, at least, seventy, perhaps one hundred, millions * annually, as the rent of

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

its soil, were to follow the example of Mr. Elwes, and live on hard eggs and a crust of bread, not spending more than 100*l.* or 200*l.* a year. But a single glance is sufficient to show the direful ruin which would at once ensue, from taking such a sum from the annual expenditure, and at the same time making such an addition to the capital of the country.

It is clear, then, that expenditure, not parsimony, is the province of the class of land proprietors, and, that it is on the due performance of this duty, by the class in question, that the production of national wealth depends. And not only does the production of national wealth depend upon the expenditure of the class of land proprietors, but, for the due increase of this wealth, and for the constantly progressive maintenance of the prosperity of the community, it is absolutely requisite, that this class should go on progressively increasing its expenditure. If, in consequence of the expenditure of this class, the other classes of society be in prosperity, it infallibly follows, that their population will increase. Now, how is this increased population to be subsisted, unless the class, from whom the revenue of the whole is derived, proportionably increases its expenditure? The

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

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

It will follow, as a consequence, from what has been observed relative to the important part, which the class of land proprietors have to act, in the system requisite to produce the greatest possible degree of national wealth and prosperity, that, in countries constituted as this, and those composing the rest of Europe are, the increase of *luxury* is absolutely essential to their well being. Because the fall of some of the greatest and most powerful of the nations of antiquity, has been, with justice perhaps, attributed

to the spread of luxury amongst them, many politicians of modern times have prognosticated, that the decline and eventual fall of Britain, would be occasioned by the same cause. But they do not consider, that there is an essential difference between the system of this country, and of nations such as ancient Rome. The latter despised the class of manufacturers; their attention was in their infancy solely devoted to agriculture and to arms, and their wealth was derived from the plunder of conquered countries, not from their own internal resources. When, in consequence of extended conquest, an accumulation of wealth was acquired by every private soldier even of their army, effeminacy took place of the active courage which had procured their riches, and they fell an easy prey to the hungry hordes of northern barbarians which attacked them. No such consequences, however, can result to nations, whose wealth is derived from their own internal resources; for, however great may be the quantity of luxuries produced by the manufacturing class, the bulk of that class, from which the army of the state must be chiefly supplied, will never enjoy more than the bare necessaries of life, and consequently cannot be enervated by the luxuries it brings into existence. Nobody will pretend to say, that the artizans employed in the fabrication of the most luxurious couch, or the softest velvets, will be debilitated by their manufacture, or would make worse soldiers, than if they had never made any other than deal chairs, or coarse woollen cloth. So that luxury cannot contribute to our fall, in the same way in which it did to the fall of ancient Rome; and that its increase is necessary to our prosperity, few thinking minds will deny.

It is impossible exactly to define, what are luxuries, and what necessaries; yet, a slight consideration will show, that a very great proportion of our manufactures cannot be included under the latter title.

Every one knows, that a few hundreds a year are sufficient to procure all the necessaries and comforts of life: in what, then, can the sums above this amount, which are spent by the numbers in this country, who have their 10,000l. and 20,000l. a year, be expended but in luxuries? And as, from this consideration, it is plain, that the population of the manufacturing class, at present occupied in providing necessaries, is fully equal to fabricate all that are wanted of this description, it follows, that the additional population of this class, can only be employed in the manufacture of new luxuries.

Though it is of little consequence to the physical *prosperity* of a country, in what luxuries the revenue of its land proprietors is expended, so that it be expended; yet its wealth will gain a greater accession, the more permanent these luxuries are, and it will be therefore desirable, that a taste for luxuries of this description, rather than for such as are of a transitory nature, be infused into the minds of the members of society. Thus the *prosperity* of the country would be as much promoted, if an owner of an estate of 10,000l. a year, were to expend this sum in employing 500 men to blow glass bubbles, to be broken as soon as made, as if he employed the same number in building a splendid palace; yet, in the latter case, a permanent and desirable addition would be made to national wealth, in the former, none at all. The 500 glass blowers would require as much wealth to be brought into existence from the soil, would consume as much food, and would consequently be as prosperous, as the 500 palace builders; yet, the former would leave no valuable return for their subsistence; they would, in this case, be unproductive labourers, whilst the latter would produce such a return, — would be productive labourers.

And as in a country, constituted as this is, the unproductive class, will necessary be very numerous; though, with respect to its enjoyment of physical

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

Various other considerations naturally arise out of the views which we have now taken of the great causes of national wealth; but these may, with greater propriety be hinted at (for to enlarge upon them would require volumes), at the conclusion of the observations that remain to be made relative to the main subject of the present inquiry.

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

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

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

As all commerce naturally divides itself into commerce of import and export, I shall, in the first place, endeavour to prove, that no riches, no increase of national wealth, can in any case be derived from commerce of import ; and, in the next place, that, although national wealth may, in some cases, be derived from commerce of export, yet, that Britain, in

consequence of particular circumstances, has not derived, nor does derive, from this branch of commerce, any portion of her national wealth; and, consequently, that her riches, her prosperity, and her power are intrinsic, derived from her own resources, independent of commerce, and might, and will exist, even though her trade should be annihilated. These positions, untenable as at first glance they may seem, I do not fear being able to establish to the satisfaction of those, who will dismiss from their mind the deep-rooted prejudices with which, on this subject, they are warped; and who, no longer contented with examining the mere surface of things, shall determine to penetrate through every stratagem of the mine which conceals the grand truths of political economy.

As it will be requisite, in the course of our inquiries, frequently to make use of the word *consumers*, by which is meant, those who *finally* purchase and *make use of* the articles of commerce, it is necessary previously to observe, that though this term is applicable to all the classes in society, as every class necessarily consumes; yet, as it has been shown, that the consumable revenue of the class of manufacturers, and the unproductive class, is wholly derived from the agricultural class, and the class of land proprietors, it is these two last classes which are, in fact, the sole consuming classes in society. Inasmuch, however, as these two classes distribute part of their revenue to the remaining classes, and thus enable them to consume, the denomination of consumers cannot, with propriety, be restricted to the class of land proprietors and cultivators, but must be extended to the whole community.

Every one must allow; that for whatever a nation purchases in a foreign market, it gives an adequate value, either in money, or in other goods; so far then, certainly, it gains no profit nor addition to its wealth. It has changed one sort of wealth for another, but it has not increased the amount it was before pos-

essed of. Thus, when the East India Company has exchanged a quantity of bullion with the Chinese for tea, no one will say, that this mere exchange is any increase of national wealth*. We have gained a quantity of tea, but we have parted with an equal value of gold and silver; and if this tea were sold at home, for exactly the same sum as had been given for it, it would be allowed, on all hands, that no wealth had accrued to the nation from this transfer. But, because goods, bought at a foreign market, and sold at home, have their value considerably augmented by the charge of transporting them, the duty paid to government, the profit of the merchant, importer, &c. it is contended, by the disciples of the mercantile system, that this increased value is so much profit to the nation; so much addition to the amount of national wealth. Thus, a quantity of tea, say they, which has cost in China 1000l. will, by the charges and profits which have occurred upon it, previous to its exposure for sale in England, have its value augmented to 1500l. and will be sold for that sum at home. Since, then, the tea cost but 1000l. and it has been sold for 1500l. is not this 500l. an addition to national wealth? To this question, I answer, No; certainly not. There is no doubt, but the persons concerned in this transaction, have gained a profit, and have added to their individual wealth. The ship owner has added to his wealth, by the freight of the tea; the underwriter by his premiums of insurance upon it; the government has increased the revenue by the duties of customs and excise; and the East India Company has augmented its dividend by the profit gained upon this article. But, the question is,

* If by wealth be merely understood the greatest possible enjoyment of things we most desire, there can be no doubt, that, inasmuch as it is proved we have a greater desire for tea than for gold and silver, by the fact of our exchanging one for the other, we may be said to have gained wealth by the exchange; but this is not the sort of wealth which the disciples of the mercantile system contend is gained by a nation from trade. What they call wealth, is an increase of the capital, or stock of the society, not the mere exchange of one consumable commodity for another.

from whence have these profits of the ship owner, the underwriter, the government, and the East India Company been derived? Have they not been drawn from the consumers of this tea; and is it not as clear as noonday, that whatever the former have gained, the latter have lost: that the latter are exactly poorer in proportion as the former are richer, and, in short, that a transfer, not a creation, of wealth has taken place. If this tea had been sold for 1000*l.* the bare sum which it cost, would the nation have been poorer, than if it were sold for 1500*l.*? Certainly not. In this case, the consumers of the tea would have kept in their pockets the 500*l.* which on the other supposition, they transferred to the pockets of the ship owner, the insurer, &c.; but the national wealth would be neither increased nor diminished.

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

The arguments made use of to show, that no national wealth is derived from commerce of import, will serve also to show the absurdity of their notions, who talk of the importance of such and such branches of commerce, because of the great duties which are levied on them at the custom house or ex-

cise office. Such reasoners will insist upon the vast value of our East India trade, because of the three or four millions which the public revenue derives from the duties imposed on the articles imported from thence. They do not consider, that all such duties are finally paid by the consumers of the articles on which they are laid; and that these consumers are equally able to pay the sums they advance, whether or not they consume the articles on which they are levied. Thus, an individual who annually consumes 10l. worth of tea, contributes to the revenue 4l. ;— but, surely, it is not essential to his capacity of contributing this sum, that he should consume a certain quantity of tea yearly. Since he possesses funds adequate to the payment of 10l. for tea, if no duty were charged on this tea, and he could purchase it for 6l. he would still be able to advance the additional 4l. as a direct tax. Indeed, if he were entirely to cease consuming tea, (though I do not advise that he should do so.) and were to substitute in its place the equally nourishing, and far more wholesome, beverage, water, which he might have without cost, he would have the power of much more considerably contributing to the public revenue; for in that case, he might afford to pay, as a direct tax, the whole 10l. which he had been accustomed to spend in this luxury, and of which before, 4l. only went to the Exchequer, the remainder being divided between the Chinese, the ship owner, the East India Company, &c. On the same mode of reasoning, it would be preposterous to maintain, that he who can afford to drink a barrel of ale, on which the duty is 10s. could not afford to advance this 10s. *without* drinking the ale. The fact is, that it is a convenient way of raising a revenue, to tax consumable articles at the custom house, or the excise office; but, if the consumers of the articles, can afford to consume them loaded with taxes, they certainly can afford to advance these taxes, even though they did not consume the articles upon which they are levied; and hence there is no *neces-*

sity whatever, that the articles in question should be imported for the mere purpose of aiding the revenue of the country.

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

Reasoning in this way, an Economist would admit, that Britain gains some increase of national wealth, by her commerce of export. Yet he would be truly astonished to observe the value which we set upon this commerce, when he calculated the probable amount of our national gains from this source, and compared it with the public revenue, and private expenditure of the country. He would reason thus: Great Britain, in the most prosperous years of her commerce, has exported to the amount of about fifty millions sterling. If we estimate the profit of the master manufacturer, and the exporting merchant, at 20 *per cent.* on this, it will probably be not far from the truth; certainly it will be fully as much, as in these times of competition is likely to be gained. Great Britain, then, gains annually by her commerce

of export, ten millions *. This sum, in itself, seems considerable, but compare it with the public and private revenue of the country, and it will be seen to be perfectly insignificant, and the trade from whence it springs, in no degree entitled to rank as the chief source of its wealth. More than *twice* this sum is paid for the interest of the national debt! More than *four times* this sum is paid to the government in taxes! It cannot be supposed, that the receivers of this ten millions of profit from trade, pay more than one fifth of the whole, which is two millions, in taxes. To this we may add, the custom-house duties on exports, which may amount to nearly two millions more. Four millions, then, is the utmost that we can suppose the revenue derives, from British commerce of export. Whence, then, springs the remaining 36 or 40 millions, which are annually paid in taxes? Certainly from some source more productive than commerce of export. And, as no wealth is created by manufactures sold at home, or by commerce of import, from what source can this enormous amount of taxes be derived, but from the grand source of wealth, the soil?

We should laugh at, or pity as insane, the proprietor of a landed estate of 10,000l. a year, on which there was a stone quarry, producing him annually 500l. profit, who should continually be dwelling on the amazing importance of this quarry, and be miserable when he sold a few cart loads of stones less than usual; and, at the same time, should pay no regard to the infinitely greater revenue arising from his land, and should consider it as by far the least important

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

part of his riches. With equal justice might the Economist laugh at our folly, or pity our insanity. "These people, these Britons," he might say, "have a territory the most productive, in proportion to its size, of any in Europe. As their island contains twelve millions of inhabitants, and each person on the average annually consumes food to the amount of at least 10*l.* they must derive from their soil a gross yearly revenue of 120 millions. Their surplus produce, too, is greater than that of any nation in the world; for, in the raising of food for twelve millions of people, there are not occupied more than *two* millions *, and, consequently, the remaining ten millions may be employed in fabricating manufactures of use, or of luxury; in defending the state; in communicating religious, moral, or scientific, instruction; in administering justice, and in contributing most essen-

* From the result of the population act, it appears, that of the 8,300,000 persons which England then contained, only 1,524,000 were chiefly employed in agriculture; so that of the 12 millions, which Great Britain is supposed to include, there cannot be computed to be much more than a sixth of the whole population employed in cultivating the earth. This fact strikingly confirms the truth of the opinion here maintained, of the vast wealth derived from our soil. And it is on account of the smallness of the population, employed in bringing into existence such a large produce, that the wealth of Britain is so greatly superior to that of other nations with a much larger population. In most other countries the bulk of the people are employed in producing the food they consume, consequently the manufacturing class must be small, and there can be no accumulation of wealth, however great may be its production. Thus, in France, where there is an infinity of small estates of ten and twenty, and even so low as two and three acres, each, which are the bane of all national increase of wealth, probably more than *half* the population is employed in agriculture. When a nation has once gone into the system which we have adopted, on which manufactures are made the cause of increased agriculture, it is desirable that the land should be cultivated with the fewest possible number of hands that are sufficient to cultivate it well. Thus if by some supernatural influence 1000 Britons had the power of raising the same quantity of food from our soil, which is now raised by 2,000,000, it would evidently be a most important national advantage. Upwards of 1,900,000 labourers might then become manufacturers, and by their labour convert the food which they consume, into durable wealth. This subject might be greatly enlarged upon, did not the limits of this publication forbid it. What has been already hinted, is sufficient to prove the folly of the outcry which has been raised in this country against the practice of throwing many small farms into one large one. Such a practice is the surest proof of national wealth; and farms cannot be too large, nor cultivated with too few hands, if the greatest produce possible, be raised from them.

tially, in a thousand other ways, to the happiness and prosperity of the community. And yet, strange infatuation! these islanders, notwithstanding their riches and their greatness are so incontestably derived from intrinsic causes, not to be affected by any thing external, notwithstanding they draw a gross revenue, an absolute creation of wealth annually, to the amount of 120,000,000*l.* from their soil: regard this true source of their wealth with indifference; with unaccountable delusion of fancy, all their riches have been derived from commerce; from a source, the national profits of which cannot be more than a twelfth part of their whole revenue, and are miserable at the idea of having a few ports shut against their trade! And still more strange is the consideration, that, not only their merchants, whose self-interest might blind them on this point; not only their ignorant vulgar have raised this cry of their dependence on commerce: even their land owners, their statesmen, whom, of all men, it behoved to have had right notions on such an important subject, have re-echoed the senseless delusion. Well might one of their greatest promoters of agriculture, indignantly exclaim, on reading a speech of their favourite minister, on the state of the nation, in which agriculture was scarcely deemed worthy of notice, as a source of national wealth; ‘This the speech of a great minister at the close of the eighteenth century!—No: it is a tissue of the common places of a counting-house, spun for a spouting-club, by the clerk of a banker:—*labour of the artisan—industry of manufacturers—facility of credit—execution of orders—pre-eminence in foreign markets—capital—compound interest*—these are the great illustrations of national felicity! This the reach of mind and depth of research, to mark the talents framed to govern kingdoms! These big words, to paint little views,—and splendid periods, that clothe narrow ideas! These sweepings of Colbert’s shop—These gleanings from the poverty of Necker!—Are these the lessons he learned from Adam Smith?

From a writer, who attributes the flourishing situation of England, more to the security of farmers in their leases, than to all our boasted laws for the encouragement of foreign commerce *?"

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

I have already admitted, that there are cases in which a nation may gain wealth from commerce of export. I grant, that when a nation exports considerably more than she imports, the profits charged on her exported goods, will be national profit; but, inasmuch as Britain imports as much as she exports, and inasmuch as a great proportion of her imports consists of luxuries, which are speedily consumed, and leave not a vestige of their existence behind them; from these circumstances I contend, that her wealth derives no augmentation from her commerce of export. It remains to point out the facts on which this opinion is founded, and to show, that, from these facts, the consequences deduced necessarily result.

The only documents to which we can refer for the foundation of an opinion relative to the amount of our imports and exports, are the accounts annually laid before parliament by the Inspector General. From

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

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

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

If this opinion were well founded, there would be no need to enter into any long argument to prove,

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

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

But, as Mr. Foster has not produced any proof, that our foreign expenditure, in the last century, has been so immense as he supposes, though, no doubt it has been considerable, it may be questioned, whether it is not a more probable supposition, that the custom-house accounts are incorrect, and, that the value of our imports has more nearly approached that of our exports, than the statements of these accounts would lead us to imagine. Nothing can be more vague than the mode in which the value of our exports has been formerly ascertained. How is it possible, that any estimate, at all approaching to accuracy, could be formed of the value of the principal of our exported manufactures, such as woollens and cottons, which paid no duty, and of which the custom-house knew nothing either of the quantity or quality; inasmuch as it was necessary to enter the number of packages only, without specifying the number of yards contained in them, or the price per yard? Such being the uncertainty of the data on which these custom-house documents are grounded, and it being obviously the interest of the minister to make the amount of our exports as large, and of our imports as small, as possible; it does not seem unreasonable to presume, that the value of each has been always pretty nearly equal. And this opinion will appear the more probable, if we attend to the fact, that, since a duty, *ad valorem*, has been charged on most articles of export, and more attention has been paid by the Inspector General, in calculating the real value of articles exported and imported, the amounts of each have been estimated to be the same within a few 100,000 pounds.

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

It being then the fact, that our imports are of equal value with our exports, consequently, that no gold or silver is received for the profits of the latter branch of commerce, it follows, that these profits are received by the nation in other merchantable commodities. This often takes place in a direct way. A merchant, for instance, exports to Portugal 800*l.* worth of woollen cloth, which is there sold for 1000*l.* He thus gains 200*l.* profit on this sale; but he orders wine to the amount of 1000*l.* consequently this gain is not received in gold or silver, but in wine; by the sale of which at home, he realized his profit. It more frequently happens, however, that the importer and exporter of goods are wholly distinct; that one merchant exports woollen cloth, for example, and another imports wine: but this makes

no alteration in the result in a national point of view ; neither does the circumstance of the balance of trade being against us with one country, and in our favour with another ; for if the whole of our imports collectively, be equal to the whole of our exports, and if we receive no quantity of the precious metals in payment for the excess of our exports, it is indisputable, that the profits of our export trade are received in vendible commodities.

Although every thing which man desires may be called wealth, yet, of this genus wealth, there are many species, varying very considerably in their qualities, and in their real value. Permanency or durability, in particular, seems one of the most important attributes of wealth, a quality, the possession of which, renders one kind of wealth of much greater intrinsic value than another, though of the same nominal worth. Thus, of two nations, if one employed a part of its population in manufacturing articles of hardware, another in manufacturing wine, both destined for home consumption ; though the nominal value of both products should be the same, and the hardware should be sold in one country for 10,000*l.* and the wine in the other for the same sum, yet it is evident, that the wealth of the two countries would, in the course of a few years, be very different. If this system were continued for five years, in the one country, the manufacturers of hardware would have drawn from the consumers of this article, 50,000*l.* and, at the same time, this manufacture being of so unperishable a nature, the purchasers of it would still have in existence, the greater part of the wealth they had bought ; whereas, in the other nation, though the wine manufacturers would have also drawn to themselves 50,000*l.* from the consumers of wine, yet these last would have no vestige remaining of the luxury they had consumed. It is evident, therefore, that at the end of five years, the wealth of the former nation, would be much greater

than that of the latter, though both had annually brought into existence wealth to an equal nominal amount.

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

Let us apply this reasoning to our own case. If we

examine a list of the amount of our imports, we shall find, that more than half the value of all that we import, a much greater amount than any thing we can possibly gain by our commerce of export, is made up of wealth of the most fugitive and evanescent kind, of articles no way necessary for even comfortable existence, and which are wholly consumed before the end of the year, in which they are imported, leaving not a vestige of their having ever existed. Thus, we import annually tea to the amount of four or five millions sterling; sugar and coffee for our own consumption to a larger amount; and we may fairly estimate the value of the wine, rum, brandy, geneva, and tobacco, which we consume, as equal to eight or ten millions more. Twenty millions, then, and upwards, do we pay for these articles, of which there is not one, that we could not do very well without; of which there is not one, (if we except sugar*) that we should not be much better without, and the whole of which are speedily consumed, leaving “not a wreck behind.”

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

* It may be said, that sugar, being highly nutritive, contributes to the support of those who use it, whilst the other articles enumerated, afford no nourishment whatever. But this substance is used in such small proportion, by those who consume the least quantity of other kinds of food, that we can scarcely, with justice, attribute any value to it, in this point of view: and certainly none at all, unless it could be proved, which it would be very difficult to do, that a person who uses sugar, consumes, on that account, so much less of other food.

then can our wealth be augmented by such a trade? how will such a negative source of riches suffice to be referred to, as creating the immense positive wealth, which we enjoy?

We are so much accustomed to the error of considering two things, that can be sold for the same money, as equally valuable to the nation which consumes them, because they are equally valuable to the individual who sells them; that we do not by any means estimate with accuracy, the different value of different kinds of wealth, in a national point of view. Yet a case may be imagined in which this difference would be intelligible to every one.

Suppose, instead of indulging in the luxuries of tea, wine, and spirits, that it were the fashion for every inhabitant of Britain to inhale, once a year, a quart of the aeriform fluid, called, by chemists, nitrous oxyd;—that this air was to be obtained only from France, and that the price of it was one guinea a quart. Suppose also, that we paid for this 10,000,000*l.* worth of gas, by sending woollen cloth to France to that amount, importing in return, this invisible and elastic wealth, in a proper contrivance of bladders, casks, balloons, &c. Would not an unprejudiced observer laugh at our extravagant folly, if we should make a clamour about the profit which the nation gained by this trade, because it took off our woollen cloth to so large an amount? Would he not justly say, “These people are infatuated. Because the individuals concerned in exporting this woollen cloth, and in importing this gas, gain a few hundred thousand pounds profit, they fancy, that their nation gains by this trade, not considering, that they are giving away ten millions of permanent wealth, which may last for years, and might have been hoarded to an immense amount, for—what? for air; for the mere indulgence of a moment, which is of no earthly benefit to its consumers, and which in one day is expended, and ren-

dered of no value whatever! They do not see, that if they were without this trade, and kept all their woollens, they would be much richer than by exchanging them for such a fleeting substance; they do not perceive, that though their merchants may draw to themselves a million per annum profit from this trade, the nation loses by it ten millions per annum."

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

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

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

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

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

Ever since the publication of Dr. Adam Smith's "Wealth of Nations," a work in which so many liberal and enlarged doctrines on subjects of political economy, were first promulgated; it has been usual for those who have embraced the Doctor's opinions, to ridicule the axiom of the older politicians, viz. that for a nation to gain wealth by commerce, it is necessary it should export more than it imports, and receive the balance of trade in the precious metals. However enlarged are the views, and however correct the reasoning, of Dr. Smith, on most branches of the subject on which he wrote, he has in many instances fallen into errors, to the full as egregious as those which he condemns: witness his doctrine, that wealth is really created by manufactures made and sold at home; and his confused and unintelligible attempt to confute the opposite tenets of the French Economists; and from what has been observed, it will be obvious, that the absurdity charged by him and his followers, on the doctrine of the Pettys, the Davenants, and the Deckers, of former times, is by no means so convincingly made out as they would have us to believe. It appears, these ancient politicians had an accurate idea of the true nature of commerce, though they erred in attaching too much importance to it. They rightly considered commerce to be, as its derivation implies, an exchange of one commodity for another: and hence they justly conceived, that if a nation imported in return for its exports, a quantity of commodities only equal in value to them, it could never get wealth by such an interchange of one value for another. They erred, however, and in this error they are countenanced by modern times, in regarding commerce as the only source of wealth, and in considering it as the *ne plus ultra* of political sagacity, to increase their exports, and decrease their imports, as much as possible. The absurdity, then, charged upon this doctrine of the balance of trade, does not belong to the principle itself,

which is founded in truth, but to its application. For though no nation can get rich by trade, without having the balance of that trade in its favour; yet, as a great nation, possessed of landed territory, can never gain more than a trifling addition to its wealth from commerce, it is utterly unworthy of its character, to be anxious about the relative value of its imports and exports. Such a nation, if it rightly understand its own interests, will regard its commerce as a source of conveniencies, not of riches; and will therefore deem it of small importance, whether its imports are equal to, or less than, its exports; or whether both branches of trade increase or diminish.

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

factures, which acts beneficially upon agriculture, is inherent in ourselves.

It is in consequence of the consumption of so great an amount of foreign commodities in this country, that there is so great a consumption of our manufactures by other nations. From the very nature of trade, it can never be carried on for any long period of time, between two nations, of which each does not produce something wanted by the other; for no nation could afford to purchase the produce of another nation to any extent, except that other would consent to take its produce in exchange. Thus, except we purchased tobacco of America, and wine of Portugal, these countries could never consume our woollen cloth; they would be forced to deal with some other people, which would consume their produce; or if no such purchasers of their articles could be found, they must necessarily provide themselves with clothing, in the best way their means would admit of. If Britain were to proclaim to the world, "I possess within myself all that I want; I will no longer purchase your superfluous produce, though I will still permit you to buy of me what you need," she would soon find herself without a customer. The rest of the world would answer, "Much as we value your manufactures, and necessary as they are to us, we cannot purchase them, without you will consent to accept our produce in return. We possess not gold or silver, in sufficient superfluous abundance, to supply us with even a year's consumption of your articles, and we therefore must resort to some other nation, more acquainted with the just principles of trade, for the supply of our wants, or we must betake ourselves, however inconvenient it may be to us, to our own resources." It is, then, to the home consumers of foreign commodities, that we are indebted for the existence of our export trade. The British consumers of foreign articles may be considered as thus addressing our ma-

manufacturers: " You manufacture a greater quantity of woollen and cotton cloth, of hardware, &c. than our necessities, or our utmost luxuries, require : you cannot, therefore, expect us to give you your subsistence, for articles which we can make no use of ; but export your superfluous manufactures ; exchange your woollen and cotton cloth, your hardware, which we do not want, for wine, for tobacco, for brandy, which we do want, or fancy we want, and we will purchase the articles which have been thus transmuted by commerce, and eventually you will receive the same subsistence, the same profit, as if we had directly consumed your manufactures."

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

All sudden changes in the system upon which a country has been accustomed to act, must be productive of some inconvenience; and there can be no doubt, that the loss of any extensive branch of our export commerce, would for a while be heavily felt, by that proportion of the manufacturing class, which had been employed in fabricating goods for that particular market. (We may observe, by the by, that the sticklers for the importance of commerce, do not particularly lament the loss of it, because of the inconvenience which such a revolution occasions to a large body of people, but because of the diminution of national wealth, which they fallaciously fancy ensues.) The remedy, however, for this evil, is in our own hands. When, in consequence of the caprice of one nation, or the envy of another, the export of our manufactures is materially lessened, we have but to lessen our imports proportionably, and to spend the money which we usually had consumed in the produce of other countries, in purchasing an additional quantity of the manufactures of our own. Thus, if the Americans persist in acting upon the non-importation law, which their pettish folly led them so hastily to pass, and in consequence, throw upon our hands the two or three millions' worth of woollen cloths, &c. which they have been accustomed to buy of us, we have but to prohibit the importation of tobacco, and the other articles which we get of them, and we shall speedily see them upon their knees, requesting us to let things go on in their old train. And the consumers in this country, who will then save the money they had before wasted in tobacco, have but to expend the sums so saved, in a new coat or two additional for each of them, and our manufacturers will not be sensible of the change, nor have occasion to regret, the substitution of a British, for an American, market. If Buonaparte succeed in his paltry scheme of preventing our trade with the Continent, a scheme which abundantly evinces the miserable littleness of his views on mat-

ters of political economy ; we have but to abstain from importing a proportionate quantity of the luxuries we indulge in ; to increase our consumption of home manufactures, and, far from being diminished, our wealth will be increased, and the prosperity of our manufacturers no ways affected by this master-stroke of policy, as its sage author doubtless deems it.

It may be urged, that though this plan, if acted upon, might answer the proposed end, yet it does not follow, that our consumers would be inclined to expend the money with which they had been used to purchase foreign luxuries, in articles which they could scarcely be likely to want, even though they were prevented from obtaining these luxuries ; and consequently, if this were not done, that great distress would unavoidably ensue, amongst the manufacturers of exports, from the loss of their market. It must be allowed, there is some force in this objection, when we recollect, that serious inconvenience has sometimes ensued, to particular branches of the manufacturing class employed in fabricating goods for home consumption, when, by the caprice of fashion, a total cessation of demand for their manufacture has taken place ; as in the case of the button and buckle manufacture, &c. But admitting the force of this objection, still a remedy for this evil may be found. In all such cases, the government of the country should interfere ; and these are perhaps the only instances in which it should interfere in matters of trade. It seems only just, that every industrious branch of the community should be protected from extreme misery, consequent upon sudden changes, like those in question ; and it certainly can never be right, that the parishes of any particular town or towns, where any branch of manufacture fails, should bear the whole burden of supporting those who are thereby thrown into distress. Whenever, then, any large body of the manufacturing class is deprived, whether by the caprice of fashion in our own coun-

try, or by our quarrels with other nations, of the usual market for their manufactures, it seems proper, that the state should support them, employing them in works of public utility, such as making roads, canals, &c. until, by the gradual demand for hands, from old branches of industry, or the institution of new ones, there is found for them independent and profitable employment. By this plan, the temporary inconveniencies, inseparable from a system of policy, in which manufactures form a prominent feature, is borne, as it ought to be, by the whole community, and not by a single portion of it.

If it be asked, whence shall the government derive the fund which would be necessary, to support, for even a short period, such a numerous body as would sometimes be dependent on it? I reply, from the same source from whence it draws all the other funds of its expenditure, from taxation. And however heavy might be the load of taxes, which at any time oppressed the community, they would still be capable of bearing an addition to them, adequate to this end, if they had ceased to expend a part of their income in foreign luxuries and products, and had not, at the same time, increased their consumption of home products and luxuries.

Let it not be said, that the doctrine here inculcated, of giving up foreign luxuries, when other nations cease to consume our products, is inconsistent with the opinion I have before maintained, that an increase of the consumption of luxuries, is necessary to our prosperity and well-being. It is the increase of our consumption of luxuries *fabricated at home*, which I contend for, not of foreign luxuries; and though it may be advisable, in so far as it contributes to our innocent gratification, for us to indulge in foreign luxuries, so long as we can obtain them in exchange for our own manufactures; yet, the moment our manufacturing class is deprived of its fo-

reign market, we ought to cease our consumption of them, and supply the place of that market, by an increased use of home products. If we are such slaves to our appetites, that the cry is, "We cannot do without tea, without sugar, without wine, without tobacco," we prove ourselves unworthy of existence as a nation, and we confess, that we are utterly unable to cope with the enemies that oppose us, who do not hesitate to practise such Spartan self-denial when the object is our annoyance.

There remain two objections which will probably be made by those who insist upon the importance of our commerce, which seem to require attention.

It will be said, "Though we might give up some of the luxuries which we import, without great inconvenience, yet a very large portion of what we import, is absolutely necessary to us, and could not be done without." This may appear, at first glance, to be the case; but if any one will examine a list of our imports, he will be surprised to find how few of the articles we get from other countries, are necessary even to comfortable and luxurious existence; and of how comparatively small value these are, when compared with the immense amount of what we consume. We could not well do without some of the drugs used for dyeing and for medicine; we should want olive oil, perhaps, in the preparation of our woollen cloths; saltpetre (if we had not the art of the French chemists, to form it from its principles) for our gunpowder; turpentine, and the various denominations of wood, of which we do not grow enough for ourselves. Of all the rest of our imports, I can see scarcely one, that we might not very well do without, or find fully as valuable succedaneums for, from our own productions. Barilla, Turkey Carpets, China ware, silk, fruit of all kinds, grocery of every description, (except perhaps, pepper), bar iron, linen of all kinds, skins of every sort, tar, in fact, every thing besides the articles which I have pointed out,

(which no power on earth could hinder us from obtaining, and of which a few cargoes of broad cloth would annually purchase all we can possibly have occasion for), seem by no means necessary to us. Some may be of opinion, that we could not do without the hemp, flax, and tallow, which we import from Russia; but there seems no reason why we might not grow a sufficient quantity of the two former articles for our consumption; and whale oil, of the fishery producing which we have a monopoly, will always abundantly supply us with the means of obtaining light, if our own produce of tallow should be insufficient.

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

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

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

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

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

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

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

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

sence of trade, may have contributed, in the one case to riches; in the other, to poverty. Because we see merchants and ship owners heap up fortunes, whilst men of landed property are often poor; because mercantile towns increase in population and in splendour, whilst villages remain stationary in these points, we conclude, that wealth is created in towns, by commerce only, not in the country, by agriculture. Yet we do not form our opinions from such a superficial glance on many occasions. We do not say, because the government of this kingdom has a revenue of thirty or forty millions sterling, that it *creates* wealth annually to this amount, and that, in consequence, the only way to be rich, is to increase taxes. We inquire from what source this revenue has been derived, and having learned, that it comes from the pockets of the community, we determine, that it is the governed, not the governors, who create this wealth. It is for want of making a similar investigation, that we imagine all who get rich are the creators of riches. Our opinion, in fine, is thus erroneous, because, in matters of political economy, we form our judgment from facts, which are but the surface mould of a mine of innumerable strata, all of which must be penetrated before we can arrive at the truth we are in search of.

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

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

Nor let it be conceived, that the opinion is here

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

main'tained, that a diminution of our commerce is desirable. No one can be more deeply impressed than I am, with the conviction of the value of commerce, as a mean of procuring a mutual interchange of conveniencies between distant countries; none can more highly appreciate its vast importance, considered as an engine for communicating and extending civilization, virtue, and knowledge, over every part of the globe. The sole tendency of the arguments employed, has been to place commerce on its proper basis; to strip it of the delusive and false value which has been so long attached to it, and to inculcate more just ideas of our independence. Every true lover of his country, would deny with indignation, the assertion, that Britain is in a state of dependence: yet, how can she with truth be said to be otherwise than dependent, if her wealth, her power, and her prosperity, be derived from her commerce, from a source, which the caprice of one set of customers, or the slavery of another, may at once annihilate? But fortunately this opinion, however prevalent, is founded in error. Britain is truly independent. Her resources, the cause of her wealth and prosperity, are intrinsic. inherent in herself, and cannot be influenced by any thing external. From her soil every year is brought into existence real wealth, to the amount of at least one hundred and twenty millions sterling; and this too, by a sixth of her whole population, so that five sixths of her inhabitants are released from all care of directly providing themselves with food, and are left at liberty to be employed as manufacturers, as soldiers, as sailors, or in the multifarious, other occupations which the refinements of civilized life require.

Such being the immense amount of our internal wealth, let us no longer entertain ideas of our dignity, so mean and degrading, as to believe, that all our riches and greatness, are derived from the sale of a few cargoes of manufactures, the whole profit of which, even if we did not spend more than twice

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

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

Having estimated the value of commerce aright, we need not look forward with dismay, to the occurrence of an event, which, in all probability will, in no very long period of time, take place; I mean, the very considerable diminution of our trade. The

malignant attempt of Buonaparté, to shut us out from the Continent, will certainly not be long effective; nor will the Americans persevere many months in punishing themselves, by way of being revenged on us. It is not, therefore, to the operation of causes such as these, that I allude, as being likely permanently to diminish our trade, but to the influence of causes acting within ourselves, which, though their effect may not be perceived in ten years, nor in twenty years, will, almost certainly, eventually be productive of this result.

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

The much greater value of land and of food,

and consequently of labour, in this country, than in the neighbouring nations, must be attributed to the operation of some internal and peculiar cause; for if it had arisen from the depreciation in value of the precious metals, this circumstance would have influenced the prices of land and food and labour in an equal degree in the rest of Europe. Some have accounted for this rise, from the great issue of a fictitious circulating medium in this country; but probably without reason: for there does not seem to be a possibility of keeping a greater circulating medium in the market, than is really wanted for the purposes of trade, and the facility of obtaining such a portion of this circulating medium as *is* wanted tends to lower, not to raise, prices. It is more probable that these advanced prices, are to be attributed to the existence of our immense national debt, in which circumstance it is, we chiefly differ from the rest of Europe. In the creation of the national debt, large sums have, at intervals, been converted from capital into revenue, and have been expended, either in articles of food, or of manufacture. In both instances, the demand for food has increased; its price has advanced; and, in the end, the price of labour and of every thing else, which naturally depends on the price of food, has advanced in an equal degree. Now, if the increased rate of wages in Britain, has been brought about in consequence of the augmented amount of the national debt *, as this debt will, ac-

*As the high rate of wages in this country is to be attributed to the national debt, and as these high wages will probably in the end destroy our trade; if this nation were really dependent on its commerce, the existence of the national debt, and its increase, ought to be looked upon as the most baneful impediments of our wealth and prosperity: and, indeed, they are regarded as such, by most writers on political economy. For my own part, however, I am inclined to believe this opinion to be erroneous, and that the national debt, instead of being injurious, has been of the greatest service to our wealth and prosperity. This apparently paradoxical position it is not possible to consider at large in this place, and I shall merely mention the moral arguments on which it is built. It has been shown, that in a country, acting on a system similar to the one we follow, agriculture can only be extended by a constant and increasing expenditure amongst the

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

class of land proprietors: and the baneful consequences which would ensue, if this class were to cease to expend, and were to convert its revenue into capital, have been pointed out. Notwithstanding all the declamation which has been made by moralists against the extravagance and profusion of man, it appears, that he is, in fact, much more inclined to save and to hoard, than to spend. Hence our land proprietors have never fully performed their duty, they have never expended the whole of their revenue, and thus they have not contributed so essentially, as they might have done, to the prosperity of the country. What the land proprietors have neglected to do, has been accomplished by the national debt. It has every now and then converted twenty or thirty millions, of what was destined for capital, into consumable revenue, and it has thus given a most beneficial stimulus to agriculture. Capital is essential to a nation, but a nation may have too much of it: for what is the use of capital, but to prepare articles on which a revenue may be spent; and where is the revenue to be spent to be derived from, if it be all converted into capital? When, during a war, a loan of twenty or thirty millions is made, in what is the sum expended? Is it not consumed in providing food and clothing for the army and navy; in building ships; in purchasing arms and ammunition, &c.? From this expenditure, then, results great direct advantage to the farmer, to the clothier, to the shipbuilder, to the owner of timber, &c.? And as in consequence of their profits, their own expenditure increases, the advantage is disseminated amongst every branch of society. Expenditure, in short, is the very essence of a system like ours, and what difference can it make to the prosperity of the country whether it is indebted for this expenditure to the government or the subjects? But it will be said: "Admitting the original conversion of capital into revenue to have been advantageous, are not the taxes with which the community is burdened in perpetuity, for the payment of the interest of the different loans, injurious to the wealth of the society; inasmuch as by the payment of these taxes, the consumers have their power of consuming diminished?" I answer, No. These taxes, paid for the interest of the national debt, are, perhaps, a greater cause of prosperity than the original debt was, since they are, for the most part, constantly devoted to the purchase of consumable commodities. And inasmuch as all taxes, in the end, fall upon the land, the grand source of all revenue; the land proprietors, by means of the sums drawn for the interest of the national debt, are obliged to spend much more than they would otherwise do, and thus more essentially contribute to the national prosperity. Those who contend, that the deprivations to which the payers of the interest of the national debt, are obliged to submit to, must necessarily diminish the demand for the industry of the country, forget, that although the sums they pay, are not by themselves expended in consumable commodities, yet they are so expended by the receivers of the interest of the national debt. Though the land proprietor, the farmer, the manufacturer, now consume less luxuries than if they had not to pay one half of their income (which they really do pay) in taxes: yet the stockholder takes their place; he expends the sums which they save, and thus the effect is just the same on the prosperity of the nation. It may be hard, perhaps, that one large branch of society should have its enjoyments curtailed, in order that another smaller branch may partake a share of them; yet, as members of the same community, there seems no just reason why the interest of one should be preferred before

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

that of the other: and it should be recollected, that in virtue of the mortgage which the stockholder holds on the real property of the kingdom, he has, in fact, a *right* to his share of the revenue which it produces. The sole effect which results from the payment of so large a sum as the interest of the national debt is, that twenty or thirty millions are taken annually from one part of the society, and given to another; and inasmuch as by this operation, enjoyment is communicated to a larger number of human beings, the national debt is in this point of view also, beneficial. Heavy taxes are doubtless oppressive to many of the members of a society, individually considered, yet, where the whole, or by far the greater part of the taxes of a nation, are expended in that nation, taxation may be carried to a very great extent, without injuring national prosperity. Of the thirty or forty millions, which this country pays annually in taxes, all that part which is destined for the service of government, and by far the greater part of that portion which is to pay the stockholders, is expended before the end of the year, in the purchase of food and of manufactures, and is thus returned to the society which has advanced it. But it is urged again, that the sums paid in taxes are expended in maintaining unproductive labourers, and that if the subjects, instead of the government, had had the spending of this money, it would have employed productive labourers. This is certainly the case; but if we have a ready productive labourers sufficient for the supplying all our wants, why increase the number? It appears, that of the population of Britain, about two millions only are required to furnish us with all the articles of trade and manufacture, which we have ourselves occasion for, as well as all we export. Why, then, should we wish for a greater number of productive labourers than we need? A nation which should determine, that all its members should do something, and therefore manufacture ten times more than it could make use of, accumulating an immense stock of pots and pans, of tables and chairs, would be just about as wise, as a virtuoso, who should collect all the old hats and wigs he could lay his hands on. An extended population enjoying prosperity, that is, abundance of food, of clothing, and a tolerable share of luxuries, is what a nation should chiefly endeavour to attain; not merely an accumulation of wealth. Now, in this country, when the most taxes are paid, that is, in time of war, the bulk of its population enjoy greater prosperity than at any other time. Just now, for example, never were the bulk of the people so prosperous. In consequence of the demand for men for the army, where they are well fed, well clothed, and live in indolence, there is a deficiency of labourers in every branch of industry: in course, the wages of labour are high, and food being at the same time cheap, the whole of the lower class enjoys a state of prosperity, which it is impossible it should enjoy on the return of peace. (even though the taxes should be much less than they are now), when 300,000 competitors will be thrown into the market of industry. Though, therefore, the weight of taxes should grievously oppress several hundred thousand of those in the middle rank of society, whose incomes are fixed and small, yet this very oppression is the means of bettering the condition, and materially relieving several millions of the lower ranks of society. It does not indeed follow from hence, that heavy taxes are desirable; because the prosperity of the *whole* of society *might* be maintained without them; yet it follows, that heavy taxes cannot easily be the ruin of a state, where by their very means, the majority of that state enjoys greater prosperity. The above considera-

price so much less. Even if we look forward to a continuance of the present price of labour, the increased industry and capital, and improved machi-

tions will also show the absurdity of all those calculations, by which it is endeavoured to prove; that if the national debt had not been contracted, we should have been at this time six hundred millions richer than we now are. We might, with as much propriety calculate, that if the land proprietors of this country, had for the last hundred years saved, instead of spent, their revenue, the nation would have been worth six or eight thousand millions more than it is worth now. But we perceive at the first glance, that if the land proprietors had converted their revenue into capital, for the first five years of this period, in the next five years, they would have had no revenue at all. We know, that their expenditure has increased, not lessened, their wealth; and if the national debt have tripled and quadrupled the value of landed property in this kingdom, though most other things which the land proprietor has to purchase, may be also increased in value, still it cannot have lessened the national wealth. If a land proprietor now receive 10,000*l.* a year for land, for which fifty years ago, he would have gotten only 3000*l.* a year, even though he has now to pay 3000*l.* a year in taxes, and had formerly nothing to pay, and the articles of consumption be now twice as dear as they were, still he cannot be said to be poorer in consequence of the national debt; and still less can the nation be said to be poorer in consequence of the debt, since the greatest part of the 3000*l.* paid by the land proprietor, is transferred to the revenue of some other part of the community. It is not meant to be asserted, that the expenditure of the *whole* of the sums constituting the national debt, has contributed to the wealth or to the prosperity of the country. A considerable portion of it has been expended for the maintenance of our armies in foreign countries, and another but too considerable portion of it has been spent in subsidies granted to our allies. Both these portions of the national debt have been completely thrown away, and have been of no service whatever to the national wealth or prosperity. Nor do I mean to say, that the sums spent at home, might not have been much better employed, than in maintaining the large naval and military forces rendered necessary for our protection, in consequence of the wars in which we have been engaged. If three or four hundred millions of the national debt, which has been spent in this way, had been expended on national improvements, in the formation of excellent roads over every part of the kingdom, in the widening and deepening of rivers and harbours; in the building of public edifices; in the instruction of youth, and in other national undertakings, the very same advantage would have accrued to the country from the expenditure of this sum, and Britain would, by this time, have been an earthly paradise. All that I contend for, therefore, is, that notwithstanding the unprofitable way in which the greater part of the national debt has been consumed, notwithstanding the absolute and entire loss of a large portion of it, still, with all these disadvantages, it has been on the whole favourable to national wealth and prosperity. If the formation of the national debt, by the conversion of superfluous capital into consumable revenue, have been advantageous to the prosperity of the country, by the same mode of reasoning it will follow, that all attempts to pay off this debt, by the conversion of sums destined for consumable revenue, into capital which is not wanted, must be injurious to national prosperity: and hence, that the sinking fund, if it were to operate extensively, which, from the constant creation of new debt, it has never yet done, would be in its consequences highly baneful and injurious. But on this point

nery of the nations we now supply with manufactures, will, in the course of twenty or thirty years, when added to the advantage which their low rate of labour gives them, enable them to undersell us in their own, and, perhaps, in foreign markets. If we cast a glance at the probable improvements which would take place in the manufactures of other nations of Europe, in a few years, if peace should be concluded, we shall be satisfied of the accuracy of this statement. France, for instance, has, at present, five or six hundred thousand soldiers. When this mass of population (a much greater mass than we now employ in the manufacture of our articles of export.) shall be disbanded, and have ceased to live on the plunder of other countries, they will naturally become manufacturers; and, as France already fabricates nearly as much as she has occasion for, she will then not only fully supply her own wants, but probably have a considerable portion to dispose of. The manufacturers of Germany, too, will, in time of peace, regain the importance they once had. Spain and Portugal, in their present state of apathy and indolence, need not be feared as competitors, but if their energies be aroused, as seems likely to be the case, by a new government appointed by Buonaparté, we certainly cannot calculate upon their custom for any length of time, since they possess within themselves a profusion of materials, for manufacturing all we furnish them with. Russia, even now, does not consume any great amount of our manufactures, and in proportion as she advances in civilization, and increases her manufacturing class, will require still less. So that, even though America should find it her interest to purchase her manufactures for a century to come, and even though other openings

the unreasonable length to which this note has already extended, forbid me to enlarge, and I must refer such of my readers as wish for farther information, to the Earl of Lauderdale's reasoning on this subject, in his "Inquiry into the Nature and Origin of Public Wealth;" which, to my mind, is convincing, and has not been substantially refuted by any of the objections made against it which I have seen.

for commerce should be made in South America, in Asia, or in Africa, still we should have so many competitors, all able to afford goods cheaper than we could, by reason of the cheapness of the labour employed on them, that our trade would, upon the whole, be greatly diminished. It is in vain to talk of the excellence of our machinery, as insuring us a decided advantage over other nations. From the very nature of things, it is impossible that we should be able to keep secret the construction of any large machine, made use of in an extensive manufacture, and, accordingly, the fabrication of our improved cotton and woollen machinery, is as well understood in France, as in England. Our capital, then, will be the only remaining circumstance in which we shall probably, for a time, be superior to the rest of Europe. But this superiority cannot last long. When capital is at all acquired, it rapidly accumulates; and even supposing our capital to increase, in the same degree with that of our rivals, this event would reduce the profit of stock so low in this country, that we should be willing to lend it, as the Dutch did, to any other nations, which, in consequence of the cheapness of labour, could afford to give more for it.

As far, then, as we are at present able to foresee, it seems highly probable, that in the revolution of no very long period of time, we shall lose a portion, perhaps a considerable one, of our commerce. If the system, which esteems commerce the source of our wealth and our prosperity, were well founded, this would be a dreary and melancholy prospect. To every disinterested patriot, who carries his ideas farther than the present moment, it would cause the most distressing feelings, to reflect, that in a few years, in less than half a century perhaps, his country was destined to lose the source of her greatness, and after having stood so proudly preeminent amongst nations so long, was at length doomed to retrograde into poverty and insignificance. But when we entertain cor-

rect notions on this subject, no such gloomy apprehensions need dismay us. We know, that all our riches and greatness have been derived from our internal resources, which, whether we have little or much commerce, will remain to us; and we know, that we can always obtain the very few necessary articles which we do not produce. The diminution of our commerce, is therefore a matter of perfect indifference to us. We shall be debarred, in consequence, from the use of a few luxuries, which, on the whole, do us more injury than benefit, but all the solid foundations of our prosperity and happiness, will be unaffected and unmoved.

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

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

Now, it follows from the very conformation of the

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

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

hardware, they are willing to suffer this inconvenience, fancying that they can exist a year or two without our custom, whilst we shall be ruined without theirs.

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

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

It may be said, if our commerce be really no source of our wealth, it is of little consequence, whether our enemies diminish it or not; but it should be considered, that though the loss of any particular branch of commerce, is of small moment in a national point of view, it is a very serious inconvenience to the individuals who are concerned in it; and on this account, an evil which it is highly desirable should be avoided. For the sake of humanity, too, it is greatly to be wished, that more correct notions, as to the real sources of national wealth, and the relative value of trade, were universally spread amongst the nations of the world. They would then no longer think it necessary to wage destructive wars, for the sake of extending their commerce. They would no longer endeavour to trick and cajole each other in the formation of commercial treaties; nor think it necessary

to permit the importation of the products of one neighbour, whilst those of another were prohibited, or loaded with heavy duties; thus giving constant occasion to jealousies and disputes. But, being convinced, that the only source of riches is the soil; that every country possesses within itself abundant sources of wealth and prosperity, and that commerce is but an interchange of superfluities, alike beneficial to all, and the origin of wealth to none; they would apply themselves, in the first place, to their concerns at home, and be little anxious to extend their trade with other nations, except as a mean of increasing the enjoyments of the human race, and of spreading religion, civilization, and science, over the globe.

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

On the system, which esteems commerce as the grand source of wealth, colonies, inasmuch as they confer a monopoly of their trade on the nation which possesses them, are regarded as of first rate importance; and no expense is thought too great for the purpose of acquiring new, or retaining old, establishments of this kind. Of all the powers of Europe, Britain has engaged most deeply in the colonial system, and she herself, as well as the nations around her, attributes a great portion of her wealth, to the number and extent of her possessions in the eastern and western hemispheres. If this opinion were founded in truth, if our colonies were really such sources of wealth as they are represented, we should have great cause to look with dread into futurity; for the chances, that we shall for any long time maintain possession of them, do not seem much in our favour. We have seen one colony, in the immediate neighbourhood of our own, wrested by the

negroes from its European mother country ; and have we not great reason to fear, that the slaves of our colonies, with such an example before their eyes, will, sooner or later, release themselves from our authority? Should the blacks of St. Domingo be able to resist the attempts of the French for their subjection, and succeed in establishing an independent and regular government, they will not fail, by means of their commercial intercourse, speedily to become civilized and powerful. When these changes have taken place, they will certainly leave no stone unturned, to break the chains of their brethren under our dominion ; and, with the local advantages which they possess, it will be next to a miracle if they do not succeed.

Our possessions in the East are still less secure. Of late years, the difficulties of maintaining our authority there, have rapidly augmented ; and it seems morally impossible, that a native population, of thirty or forty millions, surrounded by jealous powers, ever ready, on a favourable opportunity, to aim at the reacquisition of the territory they have lost, and, assisted by the military skill and knowledge of our European enemies, should long continue in subjection to a few thousand Englishmen.

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

But, as the false doctrine of the importance of colonial possessions, as a source of wealth, has taken such deep root in the minds of most persons, and as it is almost deemed an axiom, that our commerce

with them is particularly profitable, I shall beg to advert a while longer to this point, though I shall be obliged to repeat part of what I have before advanced on the subject of trade in general, and though this is not exactly the regular place for this discussion.

It is maintained, that our commerce with our colonies, is particularly advantageous, because the capitals employed in raising the produce which we import from thence, are British capitals; and because the profit derived from the employment of these capitals, is drawn into, and expended in, the mother country. But a slight attention to the subject will show, that these circumstances do not render this species of commerce more profitable than any other species. I admit, that if the greater part of our colonial produce, were sold with a profit to foreign nations, and if this profit were drawn, either in gold or silver, or in any other wealth, into the mother country, we should then gain an accession of wealth, equal to this amount from our colonies. But the fact is, that by far the greatest portion of the produce of our colonies, is sold and consumed at home; and the West India planter does not realize his profit, until this event has taken place. It is therefore from the consumers at home, that the profits of this, as well as of all other commerce of import, is derived, and consequently, there is no creation of wealth effected by it. The proprietors of land in the West Indies, annually import into this country, sugar, rum, coffee, &c. to the amount of about ten millions, and in general may gain on these articles, a profit of one million. But is it not self evident, that this profit is drawn from the consumers of West India produce, and, that exactly in proportion to the gains of the planter, is their loss? It may be said, perhaps, that as the value of our imports from the West Indies is ten millions, and the value of our exports not half so much; and as we certainly do not send there any balance of the precious metals, there must remain a clear

national profit of the difference in value, between the imports and the exports. This, however, is a mistaken supposition. Though Britain does not directly export, perhaps, more than five millions worth of her manufactures to the West Indies, still, as it is with the capital of her subjects, that these islands are cultivated, she must eventually pay the whole cost of bringing their produce to market; and consequently, she cannot gain more profit by this trade, than the West India proprietor gains. Now, it is very well known, that the profits of West India planters are by no means one hundred *per cent.* Twenty years ago, by the estimation of one of the strongest advocates for the colonial trade, Mr. Long, eight *per cent.* only, was the profit of a West India planter upon his capital*. Since then, complaints of the unprofitableness of the trade, have been increasing every year, and, just now, the merchants concerned in it, find it necessary to apply for permission to open a new channel at home, for the consumption of their produce, in order to realize their ordinary profits †. The

* Young's Annals of Agriculture, vol. x. p. 338.

† It has been lately announced in the public papers, that the West India merchants have had communications with government, for the purpose of obtaining permission for the use of sugar in the breweries and distilleries, in lieu of barley, and it is added, that such an arrangement has been made. I sincerely hope this is a mistake. If not, well may we exclaim,—When will governments learn to let affairs of trade take their own course, and cease their pernicious schemes of relieving one part of the community at the expense of another! At different periods it has been thought requisite, for the encouragement of agriculture, to give a bounty on the exportation of grain. Now, it seems, it has been discovered, that agriculture flourishes too much, and it is proposed to deprive the farmer of one of the principal markets for his barley, for the advantage of the West India merchant. But can any thing be more impolitic than to discourage the cultivation of our own soil, for the sake of promoting the cultivation of soil in the West Indies? The principal reason, however, why such a measure should be deprecated, is, that we shall thereby deprive ourselves of one valuable resource in times of occasional scarcity of food. The same senseless clamour which has in this country been raised against dealers in corn, has been frequently turned against our practice of devoting so much land to the production of corn for horses, for breweries, and distilleries. It has been said, "What a shame, that the food of so many human beings should be thus consumed!" It is not considered, that our habit of raising so large a quantity of the inferior kinds of grain, which we apply to other purposes than the food of man, but which may at any time be made to contribute to his subsistence, furnishes us with a granary, if it may be so called, to which, when-

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

From our possessions in the East Indies, it is still more clear, that we derive no accession of wealth: No one will pretend, that the tea, &c. which we import from them, are raised by British capital, and consequently, every one must admit, that whatever may be the profit of the East India Company, on the articles they import, the whole of it is drawn from the consumers of these articles; and therefore, that the dividends of the East India proprietors, are no creation of wealth, but a mere transfer from the pockets of the community to theirs. The only way in which

ever there is need, we can have recourse, and most effectually ward off the possibility of famine. If all the grain in this country were consumed as the food of the inhabitants, what would be our condition, if the next year, for instance, our harvest should fail, and we should continue to be, as we now are, excluded from supplies from the Continent? Or, what would our condition be, at any period, if, what is by no means an improbable supposition, the countries from whence we usually draw our supplies of grain, in times of scarcity, had at the same time a scanty crop, and not more than their own needs required? It is evident, that on such a supposition, we must submit to all the horrors of famine. But whilst we continue to raise so many millions of quarters of barley, of oats, of beans, none, or very little of which, we make use of for food, it is obvious, that we can scarcely, in any case, suffer more than a slight inconvenience from a deficient crop of our usual food, wheat: since we can always, on such an occurrence, cease to drink ale, to distil spirits, and to feed our horses with corn, and can make use of the barley, oats, and beans, thus diverted from their usual office, as food for ourselves, until the return of another harvest. In this point of view, it is of incalculable importance, that the production of grain usually devoted to other purposes than the food of man, but which, when occasion requires, can be employed as a mean of subsistence, should be encouraged in the greatest degree possible: and hence the proposed permission for distilling spirits from sugar, will be injurious to the country in two ways. It will depress the most profitable of all branches of industry, agriculture, for the sake of encouraging a branch of industry, which is no source of profit whatever; and it will materially tend to diminish the internal and certain, and therefore inestimable, resources of the nation, against occasional deficiencies of grain.

any national profit could be drawn from our East India territories, would be from taxes levied upon the inhabitants there, and transmitted to England. But it is well known, that the East India Company's expenses, far exceed any territorial revenue which they derive from their unwieldy dominions; so much so, that they are already sixteen or eighteen millions in debt, which, in all probability, the nation will very shortly have to take upon its own shoulders.

Thus, then, in every point of view, it appears, that this nation derives no wealth from its colonial commerce, any more than from any other branch of commerce; and hence, although there is certainly no reason why we should give up our colonies, so long as we can preserve them without any enormous expense, yet we may dismiss from our minds, all fear and anxiety as to our future possession of them. If we are deprived of them by the occurrence of events, out of our power to control, we have, for our consolation, the reflection, that they are by no means essential to our well being; and, that as our wealth has increased since the loss of the most important of our colonies, North America, so, it certainly would continue to increase, though we had not an inch of territory on the globe, besides our own favoured island.

Many other considerations naturally arise out of this subject, but the limits which I have prescribed to myself, forbid any further extension of my remarks. I shall have attained the end which I had in view, in writing these observations, if even a few of my countrymen are induced by them, to give up the humiliating and degrading opinion, that Britain, —of all the nations that ever existed, the most rich and prosperous,—is indebted for her prosperity to the powers around her, and dependent for a continuance of these blessings, on the caprice of one set of customers, or the tyranny of another:—If even a very small proportion of my readers are led by the arguments here adduced, to participate with me in the gratifying conviction, that our wealth and

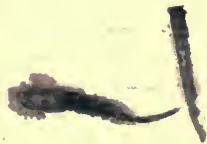
our greatness, are wholly derived from our own resources, and independent of every thing external; and that, though Britain, according to Bishop Berkeley's idea, were surrounded with a wall of brass, ten thousand cubits in height, still she would as far excel the rest of the nations of the globe in riches, as she now does, both in this secondary quality, and in the more important ones, of freedom, virtue, and science.

FINIS.



ERRATA.

Page 6,	line 14 from bottom,	for poetical	read political.
— 6,	— 2	manufacturers	— manufactures.
— 25,	— 2	his	— its.
— 35,	— 14 from top,	for stratagem	— stratum.
— 42,	— 10	<i>dele "of" and the comma after "fancy,"</i>	
— 46,	— 5 from bottom,	for realized	read realizes.
— 48,	— 15	would	— could.
— 56,	— 9	manufactures	— manufacturers.
— 63,	— 10	love	— lose.
— 63,	— 7	national	— rational.
— 64,	— 19	transmitted	— transmuted.



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