

specified which are nearer the Western side than the Eastern side of Placentia Bay, and shall be represented in the said General Assembly by One Member.

And the said District of Burin shall consist of and include all that part of the said Island bounded by the shore, which is situate and lying between Rashoon and Point May, inclusive, and including the Flat Islands, and all other Islands not herein specified which are situate near to or within the Boundaries aforesaid, and shall be represented in the said General Assembly by One Member.

And the said District of Fortune Bay shall consist of and include all that part of the said Island, bounded by the shore, which is situate and lying between Point May, and Jerseyman's Harbor inclusive, and shall be represented in the said General Assembly, by One Member.

And the said District of Hermitage Bay, shall consist of and include all that part of the said Island, bounded by the shore, which is situate and lying westward of Jerseyman's Harbor aforesaid, including St. George's Bay Bay of Islands, and Bonne Bay, and shall be represented in the said General Assembly by One Member.

III.—And in order to prevent the inconveniences of a dissolution of the General Assembly for the purpose of electing the said additional Members: *Be it further enacted* that it shall and may be lawful for the Governor or Acting Governor, by and with the advice of His Majesty's Council, by any Proclamation or Proclamations of Writ or Writs in the name of His Majesty, without dissolving the present existing General Assembly of this Island, to summons and call from among the Freeholders and Householders of the respective Districts of this Island, according to the Divisions thereof heretofore existing, to the said General Assembly, Ten additional Members, that is to say, Two Members for the District of St. John's; Two Members for the District of Conception Bay, and one Member each respectively for the Districts of Trinity Bay, Bonavista Bay, Fogo, Ferryland, Placentia and St. Mary's and Fortune Bay; and that such Ten Members, being duly elected and returned, shall be Members of the said General Assembly: *Provided always*, that after a dissolution of the General Assembly of this Island shall have taken place, all future Elections of Members for Districts, to serve in the General Assembly of this Island shall be made in pursuance of and under the amended Division of Districts hereinbefore described.

IV.—*And be it further enacted*, that this Act shall not have any force or effect until His Majesty's pleasure thereon shall have been first duly signified.

(To be continued.)

#### TAXES UPON CONSUMABLE COMMODITIES.

THE impossibility of taxing the people in proportion to their revenue, by any capitation seems to have given occasion to the invention of taxes upon consumable commodities. The state not knowing how to tax, directly and proportionally, the revenue of its subjects, endeavours to tax it indirectly by taxing their expence, which, it is supposed, will in most cases be nearly in proportion to their revenue. Their expence is taxed, by taxing the consumable commodities upon which it is laid out.

Consumable commodities are either necessities or luxuries.

By necessities I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people even of the lowest order, to be without. A linen shirt for example, is strictly speaking, not a necessary of life. The Greeks and Romans lived I suppose, very comfortably, though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed nobody can well fall into without extreme bad conduct. Custom in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person, of either sex, would be ashamed to appear in public without them. In Scotland custom has rendered them a necessary of life to the lowest order of men; but not to the same order of women, who may, without any discredit walk about bare-footed. In France they are necessities neither to men nor women; the lowest rank of both sexes appearing there publicly without any discredit, sometimes in wooden shoes, and sometimes bare-footed. Under necessities therefore I comprehend, not only those things which nature, but those things which the established rules of decency have rendered necessary to the lowest rank of people. All other things I call luxuries; without meaning by this appellation, to throw the smallest degree of reproach upon the temperate use of them.—Beer and ale, for example, in Great Britain, and wine, even in the wine countries, I call luxuries. A man of any rank may, without

any reproach, abstain totally from tasting such liquors. Nature does not render them necessary for the support of life; and custom nowhere renders it indecent to live without them.

*As the wages of labor are everywhere regulated, partly by the demand for it, and partly by the average price of the necessary articles of subsistence, whatever raises this average price must necessarily raise those wages; so that the labourer may still be able to purchase that quantity of those necessary articles which the state of the demand for labour, whether increasing, stationary, or declining, requires that he should have. A tax upon those articles, necessarily raises their price somewhat higher than the amount of the tax, because the dealer, who advances the tax, must generally get it back with a profit. Such a tax must therefore, occasion a rise in the wages of labor proportionably to this rise of price.*

It is thus that a tax upon the necessities of life operates exactly in the same manner as a direct tax upon the wages of labour.—The labourer though he may pay it out of his hand, cannot for any considerable time at least, be properly said even to advance it. It must always in the long-run, be advanced to him by his immediate employer, in the advanced rate of his wages. His employer if he is a manufacturer, will charge upon the price of his goods this rise of wages, together with a profit; so that the final payment of the tax, together with this overcharge, will fall upon the consumer. If his employer is a farmer, the final payment, together with a like overcharge, will fall upon the rent of the landlord.

It is otherwise with taxes upon what I call luxuries; even upon those of the poor. The rise in the price of the taxed commodities will not necessarily occasion any rise in the wages of labour. A tax upon tobacco for example, though a luxury of the poor as well as of the rich, will not raise wages. Though it is taxed in England at three times, and in France at fifteen times its original price, those high duties seem to have no effect upon the wages of labour. The same thing may be said of the taxes upon tea and sugar; which in England and Holland, have become luxuries of the lowest ranks of people; and of those upon chocolate, which in Spain is said to have become so.

The different taxes, which in Great Britain have in the course of the present century been imposed upon spirituous liquors, are not supposed to have had any effect upon the wages of labour. The rise in the price of porter, occasioned by an additional tax of 3s. upon the barrel of strong beer, has not raised the wages of common labour in London. These were about 18d. and 20d. a day before the tax, and they are not more now:

*The high price of such commodities does not necessarily diminish the ability of the inferior ranks of people to bring up families. Upon the sober and industrious poor, taxes upon such commodities act as sumptuary laws, and dispose them either to moderate or to refrain altogether from the use of superfluities which they can no longer easily afford. Their ability to bring up families, in consequence of this forced frugality, instead of being diminished is frequently perhaps, increased by the tax. It is the sober and industrious poor who generally bring up the most numerous families, and who principally supply the demand for useful labour. All the poor indeed, are not sober and industrious; and the dissolute and disorderly might continue to indulge themselves in the use of such commodities, after this rise of price, in the same manner as before, without regarding the distress which this indulgence might bring upon their families. Such disorderly persons however, seldom rear up numerous families; their children generally perishing from neglect, mismanagement, and the scantiness or unwholesomeness of their food. If by the strength of their constitution, they survive the hardships to which the bad conduct of their parents exposes them, yet, the example of that bad conduct commonly corrupts their morals; so that instead of being useful to society by their industry, they become public nuisances by their vices and disorders. Though the advanced price of the luxuries of the poor, therefore might increase somewhat the distress of such disorderly families and thereby diminish somewhat their ability to bring up children, it would not probably diminish much the useful population of the country.*

Any rise in the average price of necessities, unless it is compensated by a proportionable rise in the wages of labour, must necessarily, diminish more or less, the ability of the poor to bring up numerous families and consequently to supply the demand for useful labour; whatever may be the state of that demand, whether increasing, stationary, or declining; or such as requires an increasing, stationary, or declining population.

Taxes upon luxuries have no tendency to raise the price of any other commodities, except that of the commodities taxed. Taxes upon necessities, by raising the wages of labour, necessarily tend to raise the price of all manufactures, and consequently to diminish the extent of their sale and consumption. Taxes upon luxuries are finally paid by

the consumers of the commodities taxed, without any retribution. They fall indifferently upon every species of revenue, the wages of labour, the profits of stock, and the rent of land. *Taxes upon necessities so far as they affect the labouring poor, are finally paid, partly by landlords, in the diminished rent of their lands, and partly by rich consumers, whether landlords or others in the advanced price of manufactured goods; and always with a considerable overcharge.* The advanced price of such manufactures as are real necessities of life, and are destined for the consumption of the poor, of coarse woollens, for example, must be compensated to the poor by a farther advancement of their wages. *The middling and superior ranks of people, if they understood their own interest, ought always to oppose all taxes upon the necessities of life as well as all taxes upon the wages of labour. The final payment of both the one and the other falls altogether upon the wretched, and always with a considerable overcharge. They fall heaviest upon the landlords, who always pay in a double capacity; in that of landlords, by the reduction of their rent; and that of rich consumers, by the increase of their expence.* The observation of Sir Matthew Decker, that certain taxes are, in the price of certain goods, sometimes repeated and accumulated four or five times, is perfectly just with regard to taxes upon the necessities of life.—In the price of leather for example, you must pay not only for the tax upon the leather of your own shoes, but for a part of that upon those of the shoemaker and tanner. You must pay too for the tax upon the salt, upon the soap, and upon the candles which those workmen consume while employed in your service; and for the tax upon the leather, which the salt-maker, the soap-maker, and the candle maker consume, while employed in their service.

In Great Britain, the principal taxes upon the necessities of life, are those upon the four commodities just now mentioned, salt, leather, soap, and candles.

Salt is a very ancient, and a very universal subject of taxation. It was taxed among the Romans, and it is so at present I believe in every part of Europe. The quantity annually consumed by any individual is so small, and may be purchased so gradually, that nobody it seems to have been thought, could feel very sensibly even a pretty heavy tax upon it. It is in England taxed at 3s. 4d. a bushel: about three times the original price of the commodity. In some other countries the tax is still higher. Leather is a real necessary of life. The use of linen renders soap such. In countries where the winter nights are long, candles are a necessary instrument of trade. Leather and soap are in Great Britain taxed at three half-pence a pound; candles at a penny; taxes which though lighter than that of salt, are still very heavy. *As all those four commodities are real necessities of life, such heavy taxes upon them must increase somewhat the expence of the sober and industrious poor, and must consequently raise more or less the wages of their labour.*

In a country where the winters are so cold as in Great Britain, fuel is during that season in the strictest sense of the word, a necessary of life, not only for the purpose of dressing victuals, but for the comfortable subsistence of many sorts of workmen who work within doors; and coals are the cheapest of all fuel. The price of fuel has so important an influence upon that of labour, that all over Great Britain manufacturers have confined themselves principally to the coal counties; other parts of the country, on account of the high price of this necessary article, not being able to work so cheap. In some manufactures, besides, coal is a necessary instrument of trade; as in those of glass, iron, and all other metals. If a bounty could in any case be reasonable, it might perhaps be so upon the transportation of coals from those parts of the country in which they are wanted. But the legislature instead of a bounty, has imposed a tax of 3s. 3d. a ton upon coal carried coastwards; which upon most sorts of coal, is more than sixty per cent of the original price at the coal-pit.—Coals carried either by land or inland navigation pay no duty. Where they are naturally cheap, they are consumed duty free; where they are naturally dear, they are loaded with a heavy duty.

Such taxes, though they raise the price of subsistence, and consequently the wages of labour, yet they afford a considerable revenue to government, which it might not be easy to find in any other way. There may, therefore be good reasons for continuing them. The bounty upon the exportation of corn, so far as it tends in the actual state of tillage, to raise the price of that necessary article, produces all the like bad effects; and instead of affording any revenue, frequently occasions a very great expence to government. The high duties upon the importation of foreign corn, which, in years of moderate plenty, amount to a prohibition; and the absolute prohibition of the importation, either of live cattle, or of salt provisions, which takes place in the ordinary course of the law, and which on account of the scarcity, is at present suspended for a limited time with regard to Ireland and the British

plantations, have all had the bad effects of taxes upon the necessities of life, and produce no revenue to government. Nothing seems necessary for the repeal of such regulations, but to convince the public of the utility of that system in consequence of which they have been established.

Taxes upon the necessities of life, are much higher in many other countries, than in Great Britain. Duties upon flour and meal when ground at the mill, and upon bread when baked at the oven, take place in many countries. In Holland, the money price of the bread consumed in towns is supposed to be doubled by means of such taxes. In lieu of a part of them, the people who live in the country pay every year so much a head, according to the sort of bread they are supposed to consume. Those who consume wheaten bread, pay three guilders fifteen stivers; about 6s. 9½d. These and some other taxes of the same kind, by raising the price of labour, are said to have ruined the greater part of the manufactures of Holland. Similar taxes, though not quite so heavy, take place in the Minalsee, in the States of Genoa, in the Duchy of Modena, in the Duchies of Parma, Placentia, and Guastalla and in the Ecclesiastical state. A French author\* of some note has proposed to reform the finances of his country, by substituting in the room of the greater part of other taxes, this most ruinous of all taxes. There is nothing so absurd, says Cicero, which has not sometimes been asserted by some philosophers.

Taxes upon butchers' meat, are still more common than those upon bread. It may indeed be doubted, whether butchers' meat is anywhere a necessary of life. Grain and other vegetables, with the help of milk, cheese and butter, or oil where butter is not to be had, it is known from experience, can, without any butchers' meat afford the most plentiful, the most wholesome, the most nourishing, and the most invigorating diet. Decency no where requires that any man should eat butchers' meat, as it in most places requires that he should wear a linen shirt or a pair of leather shoes.

Consumable commodities, whether necessities or luxuries, may be taxed in two different ways. The consumer may either pay an annual sum on account of his using or consuming goods of a certain kind; or the goods may be taxed while they remain in the hands of the dealer, and before they are delivered to the consumer. The consumable goods, which last a considerable time before they are consumed altogether, are most properly taxed the one way. Those of which the consumption is either immediate or more speedy, in the other. The coach-tax and plate-tax are examples of the former method of imposing: the greater part of the other duties of excise and customs of the latter.

A coach may with good management last ten or twelve years. It might be taxed once for all, before it comes out of the hands of the coach-maker. But it is certainly more convenient for the buyer to pay £4 a year for the privilege of keeping a coach, than to pay all at once £40 or £48 additional to the coach-maker; or a sum equivalent to what the tax is likely to cost him during the time he uses the same coach. A service of plate in the same manner may last more than a century. It is certainly easier for the consumer to pay 5s. a year for every 100 ounces of plate, near one per cent. of the value, than to redeem this long annuity at five and twenty or thirty years purchase, which would enhance the price at least five and twenty or thirty per cent. The different taxes which affect houses, are certainly more conveniently paid by moderate annual payments, than by a heavy tax of equal value upon the first building or sale of the house.

It was the well known proposal of Sir Matthew Decker, that all commodities, even those of which the consumption is either immediate or speedy, should be taxed in this manner; the dealer advancing nothing, but the consumer paying a certain annual sum for the licence to consume certain goods. The object of this scheme was to promote all the different branches of foreign trade, by taking away all duties upon importation and exportation, and thereby enabling the merchant to employ his whole capital and credit in the purchase of goods and the freight of ships, no part of either being diverted towards the advancing of taxes. The project however, of taxing in this manner, goods of immediate or speedy consumption seems liable to the four following very important objections. First the tax would be more unequal, or not so well proportioned to the expence and consumption of the different contributors, as in the way in which it is commonly imposed. The taxes upon ale, wine, and spirituous liquors, which are advanced by the dealers, are finally paid by the different consumers, exactly in proportion to their respective consumption. But if the tax were to be paid by purchasing a licence to drink those liquors, the sober would, in proportion to his consumption, be taxed much more heavily, than the drunken consumer. A family which exercised great hospitality, would be taxed much more lightly, than one which entertained fewer guests.

\*Le Reformateur.