consumption. The celebrity of his scheme, and the mis­conceptions that have been so generally entertained re­specting it, incline us to think that we shall gratify our rea­ders by laying before them the following passages from the speech made by this statesman when he submitted his plan to the consideration of the House of Commons.

“ The duties now payable upon tobacco, on importa­tion,” said Sir Robert, “ amount to sixpence and one third part of a penny per pound weight ; all which must be paid down in ready money upon importation, with the allowance of ten per cent. upon prompt payment ; or otherwise there must be bonds given, with sufficient sureties, for the pay­ment thereof; which is often a great loss to the public, and is always a great inconvenience to the merchant importer. Whereas, by what I am to propose, the whole duties to be paid for the future will amount to no more than fourpence and three farthings per pound weight ; and this duty not to be paid till the tobacco comes to be sold for home con­sumption. So that, if the merchant exports his tobacco, he will be quite free from all payment of duty, or giving bond therefor, or finding out proper sureties for joining in such bond : he will have nothing to do but unload his to­bacco on board a ship for exportation, without being at the trouble to attend for having his bonds cancelled, or for taking out debentures for the drawbacks ; all which, I conceive, must be a great ease to the fair trader ; and to every such trader the preventing of frauds must be a great advantage, because it will put all the tobacco traders in Britain upon the same footing; which is but just and equal, and what ought certainly to be accomplished, if it be possible.

“ Now, in order to make this ease effectual to the fair trader, and to contribute to his advantage by preventing as much as possible any frauds in time to come, I propose, as I have said, to join the laws of excise to those of the customs, and to leave the one penny, or rather three far­things, per pound, called the farther subsidy, to be still charged at the custom-house upon the importation of any to­bacco ; which three farthings shall be payable to his majesty’s civil list, as heretofore. And I propose, that all tobacco, for the future, after being weighed at the custom-house, and charged with the said three farthings per pound, shall be lodged in the warehouse or warehouses, to be appointed by the commissioners of the excise for that purpose, of which warehouse the merchant importer shall have one lock and key, and the warehouse-keeper to be appointed by the said commissioners shall have another, in order that the tobacco may lie safe in that warehouse till the merchant finds a market for it, either for exportation or home-con­sumption. And if his market be for exportation, he may apply to his warehouse-keeper, and take out as much for that purpose as he has occasion for, which, when weighed at the custom-house, shall be discharged of the three far­things per pound with which it was charged upon importa­tion ; so that the merchant may then export it without any farther trouble. But if his market be for home-consump­tion, that he shall then pay the three farthings charged upon it at the custom-house upon importation ; and that then, upon calling his warehouse-keeper, he may deliver it to the buyer, on paying an inland duty of fourpence per pound weight to the proper officer appointed to receive the same.”

Walpole concluded his speech by saying, “ I look upon this as a most innocent scheme ; it can be hurtful to none but smugglers and unfair traders. I am certain it will be of great benefit to the revenue, and will tend to make London a free port, and, by consequence, the mar­ket of the world. If I had thought otherwise of it, *I* should never have ventured to propose it in this place.”@@1

Nothing can be more clear and explicit than this state­ment ; and no doubt can now remain in the mind of any one, that the adoption of the scheme would have been of the greatest advantage to the commerce and revenue of the country. But such and so powerful was the delusion generated in the public mind with respect to it, that its proposal had nearly caused a rebellion. Most merchants had availed themselves of the facilities which the existing system afforded of defrauding the revenue ; and they dex­terously endeavoured to thwart the success of a scheme which would have given a serious check to such practices, by making the public believe that it would be fatal to the commercial prosperity of the country. The efforts of the merchants were powerfully assisted by the spirit of party, which then ran very high. The opponents of the ministry, anxious for an opportunity to prejudice them in the public estimation, contended that the scheme was only the first step towards the introduction of such a universal system of excise as would inevitably be subversive alike of the com­fort and liberty of the subject! In consequence of these artful misrepresentations, the most violent clamours were everywhere excited against the scheme. On one occa­sion the minister narrowly escaped falling a sacrifice to the fury of the mob, which beset all the avenues to the House of Commons ; and after many violent and lengthened de­bates, the scheme was ultimately abandoned.

The disadvantages of the old plan, and the benefits to be derived from the establishment of the warehousing sys­tem, were very clearly stated by Dean Tucker in his Essay on the Comparative Advantages and Disadvantages of Great Britain and France with respect to Trade; published in 1750. But so powerful was the impression made by the violent opposition to Sir Robert Walpole’s scheme, and such is the force of prejudice, that it was not until 1803 that this obvious and signal improvement—the greatest, perhaps, that has been made in the financial and commer­cial system of the country—was adopted.

The comparative facility and cheapness with which taxes may be collected should be particularly attended to in their imposition. Every tax should, as Dr Smith has stat­ed in his fourth maxim, be contrived so as to take out, and keep out, of the pockets of the people as little as possible above what it puts into the public treasury. The principle of this maxim is obvious. The nett produce of taxation, or the sum which it yields after the expenses of col­lection are deducted, is alone applicable to national pur­poses ; and taxes which it costs a great deal to collect im­pose a heavy burden on the people for the sake of a small advantage to government. It is stated by Sully in his Memoirs, that the expense of collecting a nett revenue of *thirty* millions of livres in France in 1598 cost the enor­mous sum of 120 millions; or, in other words, that of a sum of 150 millions taken from the people by means of taxation, only *thirty* millions found their way into the coffers of the treasury! Under the administration of M. Necker, a revenue of about 557 millions of livres was collected at an expense of fifty-eight millions; being about 102/3 per cent

The expense of collecting the public revenue of Great Britain, for the year ended the 5th January 1840, amounted to L.6. 0s. 53/4d. per cent. on the gross produce ; while in Ireland its expense for the same year amounted to L.11. 18s. 61/4d. per cent. or to nearly twice as much as in Britain. A good deal of this difference of expense must be ascribed to the different situation of the two countries ; but a good deal is also owing to the more defective system of taxation esta­blished in Ireland, and to the greater corruption of the of­ficers. The difference in the cost of collecting the post-office revenue of the two countries is the greatest. In

@@@, Tindal's Continuation on Rapin, viii. p. 154, ed. 1769 ; Coxe’s Sir R. Walpole, vol. i. p. 372, 4to ed. Had the resolutions with respect to tobacco been carried, those regarding wine, which were to have been exactly similar, would have been proposed.