tinent from China, which had, in the year 1784, amounted to 19,027,300 pounds, declined with still greater rapidity, and, in 1791, was reduced to only 2,291,500 pounds.@@1

The duties on tea, at an average of the five or six years preceding 1784, produced about L.700,000 a year. And, at the same time that they were reduced to twelve and a half per cent., an additional duty, estimated to produce L.600,000, was laid on windows, as a *commutation* tax, to compensate for the deficiency which it was supposed would take place in the revenue formerly derived from tea. But instead of the duties falling off in the proportion of 119 to 121/2, or from L.700,000 to L.73,000, they only fell off, in consequence of the increased consumption, in the propor­tion of about *two* to *one,* or from L.700,000 to L.340,000. The commutation act has been always regarded as one of the most successful financial measures adopted in the course of Mr Pitt's administration. The plan was generally un­derstood at the time to have been suggested by Mr Rich­ardson, accountant-general of the East India Company. But the popularity of the measure was so great as to in­duce several other individuals to claim this honour, and even to occasion some hot disputes on the subject in the House of Commons. In point of fact, however, the merit of having first suggested the plan neither belonged to Mr Richardson, nor to any of those who then claimed it ; and such of our readers as will take the trouble to look into a pamphlet of Sir Matthew Decker *(Serious considerations on the present High Duties'),* published in 1743, will find that the measure adopted in 1784 had been strenuously recommended forty years before.

But the principle of the commutation act, and the strik­ing advantage that had resulted from the reduction of the duty, were soon lost sight of. In 1795, the duty was in­creased to twenty-five per cent. ; and after successive aug­mentations in 1797, 1798, 1800, and 1803, it was raised, in 1806, to ninety-six per cent. *ad valorem,* at which it continued till 1819, when it was raised to 100 per cent. on teas above two shillings per lib. The influence of these duties on consumption may be seen in the Commercial Dic­tionary (article *Teas)* ; for as their influence was mixed up with that of the East India Company’s monopoly, it would encroach too much on our limits to exhibit in this place the operation of the duties only.

The narrow and contracted policy on which ministers have too frequently acted, puts it out of our power to re­fer to many such conclusive instances as the reduction of the tea duties in 1745 and 1784, in proof of the superior productiveness of diminished taxation. There are, how­ever, some others which deserve to be pointed out. In 1742, the high prohibitory duties upon spirituous liquors, and upon licenses for retailing the same, were abolished, and such moderate duties imposed, to commence after Ladyday 1743, as were expected to increase the revenue, by increasing the legal consumption of spirits. This mea­sure was vehemently opposed by the bishops ; but their opposition was ineffectual, and the increase of the duties, and diminution of smuggling which followed, proved that the measure was alike advantageous to the revenue and to the morals of the people. *(History of our Debts and Taxes,* part iv. p. 110.)

Previously to 1732, the duty on coffee amounted to two shillings a pound ; but an act was then passed, in compli­ance with the solicitations of the West India planters, redu­cing the duty to one shilling and sixpence a pound; at which it stood for many years, producing, at an average, about L.10,000 a year. In consequence, however, of the preva­

lence of smuggling, caused by the too great magnitude of the duty, the revenue declined, in 1783, to L.2869.10s. 101/2d. And it having been found impossible otherwise to check the practice of clandestine importation, the duty was re­duced, in 1784, to sixpence. The consequences of this wise and salutary measure were most beneficial. Instead of being reduced, the revenue was immediately raised to near *three* times its previous amount, or to L.7200.15s. 9d., showing that the consumption of legally imported coffee must have increased in about *a ninefold proportion ;* a striking and conclusive proof, as Mr Bryan Edwards has observed, of the effect of heavy taxation in defeating its own object. *(History of the West Indies,* vol. ii. p. 340, 8vo ed.)

The history of the coffee trade abounds with similar and even more striking examples of the superior productive­ness of low duties. In 1807, the duty was one shilling and eightpence a pound ; and the quantity entered for home consumption amounted to 1,170,164 pounds, yielding a re­venue of L.161,245. 11s. 4d. In 1808, the duty was re­duced from one shilling and eightpence to sevenpence ; and in 1809 there were no fewer than 9,251,847 pounds entered for home consumption, yielding, notwithstanding the reduction of duty, a revenue of L.245,856. 8s. 4d. The duty having been raised in 1819 from sevenpence to one shilling a pound, the quantity entered for home consump­tion in 1824 was 7,993,041 pounds, yielding a revenue of L.407,544.4s. 3d. In 1824, however, the duty being again reduced from one shilling to sixpence, the quantity entered for home consumption in 1825 was 10,766,112 pounds. In 1830 it had increased to 21,840,520 pounds, producing a nett revenue of L.558,544; and in 1838 the consump­tion amounted to 25,765,673 pounds, and the revenue to L.685,082. And it is to be observed, that this extraor­dinary increase in the consumption of coffee has taken place, not only without any diminution, but with a very mate­rial increase, in the consumption of tea.

The history of other countries abounds with equally con­clusive examples of the superior productiveness of mode­rate duties. In 1775, M. Turgot deducted a *half* from the customs and other duties chargeable on the fish sold in the Paris market ; but, notwithstanding this reduction, the amount of the duties collected was not diminished. The demand for fish must therefore have been doubled, in conse­quence of the inhabitants being enabled to supply them­selves, at a comparatively cheap rate, with a nutritious and agreeable food.@@2

In 1813, all sugar imported into the French empire paid a duty of one franc sixty cent. the *livre* or pound. The quantity imported that year amounted to about fourteen millions of pounds, which, as France, and the countries then incorporated with her, contained about forty-two mil­lions of inhabitants, gives the *third* part of a pound weight to each. In 1814, this exorbitant duty was reduced to about a *fifth* part, or to thirty cent. the pound ; and though the population of France had then been reduced from forty- two to about twenty-eight millions, the average annual im­portations of 1814 and 1815 amounted to forty-four mil­lions of pounds, being upwards of 11/2 lib. to each individual, or about *five* times as much as the consumption had amount­ed to under the high duty. In consequence of this increase of consumption, the low duty yielded very nearly as large a revenue as the high duties. *(Richesse des Nations,* par Gar­nier, V. p. 304, 2de éd.)

Ustariz gives a variety of instructive details respecting the disastrous effects which certain taxes have had on in-

@@@1 Macpherson’s Commerce with India, p. 210.

@@@, Say, *Traité d'Economic Politique,* tome ii. p. 339. Lord Kames, in his Sketches of the History of Man, states that these duties amount­ed to forty-eight per cent. *ad valorem.* Vol. ii. p. 406, edit, 1788.