dustry in Spain, and of the advantages resulting from the repeal and modification of others. We shall give a single example. Valencia, he tells us, though barren of grain and flocks, and not equal in extent to two thirds of Aragon, paid a much larger revenue to the royal treasury. This, he says, was owing to the comparatively flourishing state of com­merce and manufactures in Valencia ; and he then adds,— “ This increase and improvement in manufactures and com­merce is ascribed to the equitable and kind treatment the weavers receive in that province, and to his majesty’s good­ness in reducing the excessive taxes which were charged upon flesh meat and other provisions ; and his taking off wholly that which was laid on bread in ancient times ; as also the imposts known by the name of ancient duties and generalities. These duties were partly replaced by others, but in such a manner that they were rendered much light­er, the people in general eased, and the royal revenue im­proved.”@@1

2. But the superior productiveness of low duties on ar­ticles in general demand may be equally shown from the consequences of the attempts to increase them beyond their proper limits. The history of the wine duties is, in this respect, highly important. During the three years ending with 1792, when the duty on French wines was 3s. 9d. and on Portuguese 2s. 6d. per wine gallon, the consumption in Great Britain amounted, at an average, to 7,410,947 gal­lons a year, producing about L.900,000 of revenue. It is probable, had the increase taken place gradually, that these duties might have been doubled without any material di­minution of consumption. But in 1795 and 1796 they were raised to 8s. 6d. per gallon on French, and to 5s. 81/4d. per gallon on Portuguese and Spanish wine ; and the conse­quence of this sudden and inordinate increase was, that the consumption fell from nearly 7,000,000 gallons in 1795, to 5,732,383 gallons in 1796, and to 3,970,901 in 1797. But this unanswerable demonstration of the ruinous effect of heavy and sudden additions to the duties did not prevent them being raised, in 1804, to 11s. 51/2d. on French, and to 7s. 8d. on Portuguese and Spanish wine. They continued at this rate till 1825 ; and such was their influence, that, notwithstanding the vast increase of wealth and population since 1790, and the general improvement in the style of living, the total consumption of wine, during the three years ending with 1824, amounted, at an average, to only 5,248,767 gallons a year ; being no less than 2,162,180 gallons under the annual consumption of the three years ending with 1792. It may therefore be truly said, making allowance for the increase of population, that the consumption of wine in Great Britain fell off more than fifty per cent. between 1790 and 1824.

Had Mr Vansittart continued in power, it is difficult to say when this system might have terminated ; but no soon­er had Mr Robinson (now Lord Ripon) become Chancel­lor of the Exchequer, than he resolved upon the effectual reduction of the wine duties. In pursuance of this wise determination, Mr Robinson took, in 1825, nearly fifty per cent. from the previously existing duties ; and notwith­standing the spirit duties were at the same time reduced in a still greater degree, the consumption of wine in Great Britain has been increased from little more than 4,150,000 to nearly 7,000,000 (in 1838, 6,990,271) imperial gallons, while the loss of revenue has been but inconsiderable. We are therefore justified in affirming that this measure has been very successful, and that it is a most valuable exam­ple of the superior productiveness of low duties.

The duties, as reduced by Mr Robinson, were 7s. 3d. per imperial gallon on French wines, 4s. 10d. per do. on all other foreign wines, and 2s. 5d. on those of the Cape of

Good Hope. They continued on this footing till the equalization act (1 and 2 Will. 4. c. 30), which imposed a duty of 5s. 6d. per imperial gallon on all foreign wines, and of 2s. 9d. on those of the Cape.

There are perhaps no better objects of taxation than spirituous and fermented liquors, and none in which the in­jurious effects of over-taxation have been more striking and obvious. They are essentially luxuries ; and while mode­rate duties on them are, in consequence of their being very generally used, exceedingly productive, the increase of price which they occasion has a tendency to limit their con­sumption by the poor, to whom, when taken in excess, they are extremely pernicious. Few governments, however, have been satisfied with the imposition of moderate duties on spirits ; but, partly to increase the revenue, and partly to place them beyond the reach of the poorer classes, have al­most invariably loaded them with such oppressively high duties as have entirely defeated both objects. The impo­sition of such duties does not take away the appetite for spirits ; and as no vigilance of the officers, or severity of the laws, has been sufficient to secure a monopoly of the mar­ket to the legal distillers, the real effect of the high duties has been to throw the supply of a large portion of the de­mand into the hands of the illicit distiller, and to super-add the crimes and vices of the smuggler to those of the drunkard.

Nowhere, perhaps, have the injurious consequences of the excessive increase of spirit duties been more distinctly manifested than in Ireland. In proof of this, we may men­tion, on the authority of the Fifth Report of the Commissioners of Inquiry into the State of Irish Revenue (p. 19), that in 1811, when the duty on spirits was 2s. 6d. per gal­lon, duty was paid in Ireland on 6,500,361 gallons; while in 1822, when the duty was 5s. 6d., only 2,950,647 gallons were brought to the charge. The Commissioners estimated the annual consumption of spirits in Ireland at about *ten* millions of gallons ; and as scarcely *three* millions paid duty, it followed that *upwards of* seven *millions were illegally supplied ;* and, “ taking *one* million of gallons as the quan­tity fraudulently furnished for consumption by the licensed distillers, the produce of the unlicensed stills may be esti­mated at six millions of gallons.” (P. 8.) It is material, too, to observe, that this extraordinary increase of smug­gling took place in defiance of the utmost efforts of the revenue officers, police, and military, to prevent it ; the only result of these efforts being the exasperation of the populace, and the committal of atrocities, both by them, and by those employed in the collection of the revenue, that are hardly to be matched in the annals of civil warfare. “ In Ireland,” say the Commissioners, “ it will appear, from the evidence annexed to this Report, that parts of the country have been absolutely disorganized, and placed in opposition not only to the civil authority, but to the military force of the government. The profits to be obtained from the eva­sion of the law have been such as to encourage numerous individuals to persevere in these desperate pursuits, notwith­standing the risk of property and fife with which they have been attended.” (P. 1.)

The too great height to which the duties were carried, and the injudicious mode in which they were charged and collected, produced similar effects in Scotland. The sys­tem of illicit distillation made great progress, and had the most injurious influence over the morals and industry of the people in the mountainous districts, where it was princi­pally carried on.

To put an end to such evils, the Commissioners recom­mended that the duty on spirits should be reduced from 5s. 6d. to 2s. the wine gallon (2s. 4d. the imperial gallon), and

@@@, Theory and Practice of Commerce, vol. ii. p. 310. Eng. Trans.