would lose incomparably more by adopting the project than it would gain. It is true, could these drawbacks be got rid of, its adoption would be productive of sundry ad­vantages. And it has been said, that as population increased, and as the expenses of government were necessarily aug­mented, an increasing revenue would, under this plan, be provided to meet them ; a revenue, too, we are desired to recollect, that is raised without hardship to any individual whatever, and which, even though the government should not take it, would notwithstanding exist, and have to be paid by the consumers of raw produce. “ Under such a system the owners of capital would enjoy its profits ; the class of labourers would enjoy their wages, without any deduction whatsoever; and every man would employ his capital in the way which was really most advantageous, without re­ceiving any inducement, by the mischievous operation of a tax, to remove it from a channel in which it was more, to one in which it would be less, productive to the nation.” (Mill’s *Elements of Political Economy,* p. 199.)

But we are well convinced, for the reasons previously stated, that these supposed advantages are not destined ever to be realized ; and that the amount of wealth or of produce to be divided among its inhabitants, in a country with a right of private property in land, will always very much exceed its amount did no such right exist. At all events, it is clear that it would be most unjust, where a right of private property in land is established, to attempt to impose any exclusive taxes on the landlords. All classes should be made to contribute, in proportion to their means, to the wants of the state; but when once these means have been properly valued, the sources whence they are derived are quite immaterial.

The greater part of the revenues of the principal mo­narchies of Asia seems in all ages to have been derived from the soil. “ The land has been held by the imme­diate cultivators, generally in small portions, with a per­petual and transferable title; but under an obligation of paying annually the government demand, which might be increased at the pleasure of the sovereign, and seldom amounted to less than a full rent.” (Mill’s *Elements of Po­litical Economy,* p. l99.)@@l

The scutages on knights’ fees, the assessment of hydage on other lands, and the subsidies chargeable on the pro­prietors of estates, so often referred to in the history of England, were, to all intents and purposes, land-taxes. (Blackstone, i. p. 312.) But the existing land-tax has supplanted all those more ancient assessments. This tax was first imposed in 1693, a new valuation of all the lands in the kingdom having been made in the previous year. According to this valuation, it was found that a tax of one shilling on the pound of the ascertained rental, afforded an annual clear revenue of L.500,000. No change has ever been made in the valuation of 1692. The tax, which was at first an annual one, has been generally as high as four shillings a pound of the valued rent. In 1798 it was made perpetual at that rate, leave being, at the same time, given to the proprietors to redeem it.

The land-tax was very unequal at its first imposition ; for such proprietors as were friendly to the revolutionary establishment generally returned their estates at a much higher value than those attached to the Stewarts. The dif­ferent degrees of improvement that have since taken place in the various districts of the country, have in some in­stances tended to correct the inequalities in the original imposition of the land-tax, and in others to increase them.

*Taxes on the Rent of Houses.—*The principal part of the rent of houses generally consists of the profits of the capital laid out in their construction, or, as it is more commonly termed, of *building* rent, a comparatively small part only being *ground* rent, or rent payable for the soil on which they are erected. It is evident, therefore, from the prin­ciples already established, that, if the supply of houses could be as easily diminished and increased as the supply of raw produce, a tax on their rents would fall entirely on the occupiers and ground landlords, in the proportion that the profits of the capital laid out on them bore to the rent of the land on which they stood. But as the supply of houses is not susceptible of speedy diminution, the builders would have no means of immediately raising rents when a tax was laid on them ; and unless the capital of the coun­try, and consequently the population and demand for houses, were rapidly increasing, a considerable number of years would necessarily elapse before they would be able to re­lieve themselves of the tax. Houses, however, though slowly, are yet certainly perishable ; and as no more of them would be built after they had been taxed, until the increasing demand had raised their rents so as to indemnify the builders for the tax, and to elevate their profits to the common level, there can be no question that, in the end, the tax would be thrown wholly on the occupiers and ground landlords in the proportions already mentioned.

Sect. IL—*Taxes on Profits.*

A tax proportioned to the nett profits realized by those engaged in all departments of industry, provided it could I be imposed, would fall wholly on profits.

Such a tax would affect all capitalists to precisely the same extent. When five or ten per cent. was laid on the profits of the farmer or manufacturer, an equal five or ten per cent. would be laid on the profits of the merchant, the ship-owner, and all the other employers of capital. It is evident no individual could hope to evade the burden of such a tax by changing his business ; and it could not, therefore, occasion any transfer of capital from one em­ployment to another; neither would it occasion any va­riation in the supply and demand of commodities, nor in their money price. For, as the tax does not fall on capi­tal, but on profits, the means of producing would not be impaired by its imposition ; the means of purchasing pos­sessed by those who live on profits, previously to the impo­sition of the tax, would indeed be diminished ; but as the means of purchasing possessed by the government and its agents who receive the tax, would be proportionally aug­mented, the aggregate demand of the society would con­tinue the same ; and hence, as the tax could neither lessen the quantity of capital in the country, nor the power to purchase its produce, it is obvious it could not, supposing the value of money to continue invariable, occasion any va­riation in the money prices of commodities.

The immediate effect of an equal and universal tax on profits would, therefore, be to sink them in the same pro­portion. And as the power to accumulate capital, and con­sequently to feed and employ an additional number of people, must ever be in direct proportion to the rate of pro­fit, it follows that the tendency, and, when they are carried to such a height as to prevent their being balanced by in­creased exertion and economy, the ultimate and necessary effect, of such taxes, is to check the accumulation of capital and the progress of population.

But it is material to bear in mind, that these conclusions are true only on the supposition that the tax is assessed so as to affect all profits to precisely the same extent. Prac­tically, and in fact, however, this is an impossible condition.

@@@, For an account of the taxation of eastern countries, see the same author's History of India, vol. i. chap. Taxes. Some curious and va­luable details, with respect to the land-taxes of the ancient Egyptians, may be found in the first volume, liv. i. sect. 4, of the excellent work of the President de Goguet, *Sur l'Origine de. Lοix,* &c.