

OPPRESSIVE TAXATION, POVERTY AND THE REMEDY:

FREE TRADE, FREE LABOUR, FREE THOUGHT;

OR,

Direct Taxation the True Principle of Political Economy.

CHAPTER I.

“ Universal Free Trade is the first condition of Universal Peace.”

WITH a profound conviction of the great truth contained in the utterance of Richard Cobden that forms a sort of motto to this chapter, I venture with respectful earnestness to re-affirm it as a truth, spoken by one of the greatest fiscal and political reformers and benefactors of this kingdom. I am also fully alive to the probability that many persons may be disposed to say that “fools rush in where angels fear to tread;” the same was said of that noble band of men who first mooted the question of free trade in corn, under the leadership of the late Mr. Cobden. Where is the man who had to withstand so much abuse and political hatred as that great statesman, when first he began to agitate the question? Utopian, revolutionist, firebrand, were epithets ever ringing in one’s ears respecting him and his fellow-workers in the cause. Nearly the whole press of the country was enlisted on the side of their opponents, and all the power that wealth and standing could bring to bear were arrayed against them. Notwithstanding this, half the battle of free trade was won; I say half, because corn, although only one article, is so important a one, that it may be reckoned of as much value as all the other articles put together. Now, how was this part of the battle against ignorance, prejudice, and selfishness won? Simply by “pegging away” at the enemy, getting up meetings, starting an organ of their own called the *League*, spreading the truth broadcast throughout the length and breadth of the land, creating an enthusiastic public opinion, which no power (whose cause was not just) could withstand. But all this work required money, and how did they “raise the wind?” Simply by a few noble and generous-hearted patriots joining together as a nucleus—some giving £1,000, some £500, and so on, which very soon swelled (by millions of men joining with pence) up to £100,000, or more, and subsequent history has proved that a better investment never was made for all classes.

Ever since the American civil war we have felt something wrong in the social system. The breaking down of the mainspring of our manufacturing industry (cotton) was the first signal of danger. Black Friday in London, 1866, was the second; and now we have the coal famine, the meat famine, the milk famine, and the next thing we have to apprehend is the labour famine. Labour and capital (twin brothers) are at daggers drawn. England, with all her present apparent prosperity and inflated trade, seems to all outside observers like a "house divided against itself." Our great statesmen and the public find something wrong, and the social and economic machinery in a wretched condition, but, in the endeavour to approach the cause and adopt a remedy, take hold of every conceivable side of the subject but the right one. Some say educate the masses, so say I; but first educate the statesman and the schoolmaster. Our most distinguished and learned lawmakers are deficient in the first rudiments of political economy, otherwise they would at once repeal all those laws that operate in restraint of trade, to wit, Customs and Excise Laws.

Some say build labourers and artisans comfortable and improved dwellings. On this point I will content myself with recommending you to read a pamphlet recently issued by Mr. Martin, the representative of the Artisans', Labourers', and General Dwellings Company, Limited. He has drawn an elaborate and exhaustive picture of the curse inflicted on the working classes, but like most well-meaning but mistaken philanthropists, he fails to recognise the real cause and the proper way for remedying the evil. The remedy he goes in for is one that may be compared to a person pouring into the Thames a bucket of water, expecting therewith to make the noble river overflow its banks. He says (page 4):—"Labour is in mortal conflict with capital; and Communism defying all authority longs to overturn our most cherished institutions. Thoughtful men stand appalled at all this, and seek to avert the threatened dangers by education, social and religious organisation—millions of money spent, but no impression made," &c. Some say International Arbitration will prove a blessing to all nations and all classes, inasmuch as it will settle international disputes, cruelly closing their eyes to the fact that international free trade would prevent international disputes arising, and, therefore, free trade is the "more excellent way." Some say extension of the borough franchise to the counties, which no doubt is a step in the right direction, but which should not be made a stumbling-block in the way of free trade. Others say local taxation is the bane, and the antidote is to be found in shifting the burden from local to Imperial shoulders; which, in other words, is to take a shilling out of one pocket in order to put it into the other. And others, again, say the Game Laws are the sole cause of discord, others the Liquor Laws, and a thousand and one other crotchets which, taken altogether, are not to be compared with the one measure of free trade which I have

long advocated, and herein definitely propose for consideration to be brought to the forefront as the question claiming precedence of all other questions.

But there is another question—trades-union strikes—which come in as the second in importance to that of free trade. As for trades unions themselves, we must deal with them as the inevitable consequences of some gigantic evil, or political economical error. Trade societies are now made lawful, and are good as far as they may be used for mutual help and regulation of prices. But when by gigantic strikes they aim at the destruction of the whole industrial structure of society, by driving from the country capital and labour, something is radically wrong. The representatives of capital and labour can never be consistent whilst they are quarrelling between themselves about a trifling percentage in the price of labour; and, at the same time, they are tolerating with blind indifference the laws which, on one hand, rob the labourer of one-third of his wages under the false pretence of raising the revenue of the State on free trade principles, and on the other, locking up capital, or driving it out of the kingdom to be wasted in war or hostile tariffs in other nations. The common enemy to society (the fiscal system) is thus saved by those who believe in it, to play off capital and labour one against the other, in order to suit party purposes for the time being. Free trade is not a party question, and, therefore may be adopted by either of the great political parties with perfect consistency.

The great delusion is, that every one thinks this is a free-trade country. The following statistics, taken from a book issued in 1857, will dissipate this delusion; it will show the mockery practised upon the people under the pretence of taxing luxuries. If taxing commodities were a sound policy at all, then I grant that those of a luxurious, of an intoxicating nature, are the right things to tax. The writer says, "At the time of the Commonwealth, the land-owners, having become the sole legislators, patriotically freed themselves from the lien which the State held upon their properties. The weight of taxation which should constitutionally have been sustained by the land, was transferred to the products of industry." The result, as shown by the undermentioned figures, proves that we are not the free-trade country we are taken to be, as compared with other European nations:—

In France the Land Tax yielded	...	...	£ 23,250,000	} 40,750,000
And Industrial Taxes	...	...	17,500,000	
In Prussia the Land Tax yielded	...	...	3,097,000	} 6,764,000
And Industrial Taxes	...	...	3,667,000	
In Austria the Land Tax yielded	...	...	7,797,000	} 15,497,000
And Industrial Taxes	...	...	7,700,000	

Total for the three nations £63,011,000

Whilst, in the United Kingdom of Great Britain and Ireland—

The Land Tax yielded in the year 1849	...	£	1,158,245	}	£	3,716,038
Real property in the year 1847-48 yielded			2,557,793			
And Industrial Taxes	... ..					54,852,712
British Total					...	£58,568,750

Thus showing that at the above date our industrial taxes amounted to £25,985,712 more per annum than the industrial taxes of three of the most powerful nations in Europe put together. Mr. Lowe told me he had taken off the last vestige of the last food tax when he repealed the shilling duty on corn, not perceiving that even corn was not yet untaxed, for what is malt but corn in a certain shape? And by taxing malt he admitted he was interfering with the operation of the farmers to a serious extent, but said he must have the money. We have shown him how to raise a revenue of nearly eighty millions without taxing a single article of the bountiful gifts of Providence, and without militating against any interest, but, on the contrary, harmonising the interest of all classes.

It was said by an ex-member of the Cabinet, about two years ago, that "that noble band of men, under the leadership of the late R. Cobden, who brought about the repeal of the Corn Laws, did more for the honour, glory, and greatness of England, than all the great warriors from Agincourt to Waterloo." If the half of the work then achieved resulted in such benefits to the country, it remains to be seen who are the men who can find moral courage and patriotic enthusiasm sufficient to finish the work by removing from the Statute Book the Customs and Excise Laws, and give the people the perfect law of liberty.

He would be a bold prophet who dared to say from which political party they will spring. One thing is quite patent to my mind, viz., to do this great work they must cease to be party men in the common acceptation of the term. This great question stands high above and beyond such political distinctions as those which still play such unseemly and untoward tricks in the realm of politics. Those who take up this question in sincerity and truth must lift themselves far above party strife and petty contentions, and rise to the "great argument" *con amore*, and then I am perfectly sure that enlightened and persistent efforts will be crowned with national success, and their own heads be adorned with a wreath as unfading in glory as that of Richard Cobden.

We have frequently heard of late that the manufacturing supremacy of Great Britain is in danger, and, if so, why? Is the lack of

* This shows how easy it is for even intelligent Ministers of State to impose a fallacy on their own minds.

commercial freedom the root and cause of the danger? This threefold question involves a problem which ought to occupy the foremost place in all public discussions, whether in or out of Parliament, viz. the problem of commercial freedom. It is a settled conviction with me as the result of forty years' study of the question, that the only way to solve this problem is to untax the people's food and beverages. But this raises so broad a question, and one in which there is so much scope for difference of opinion, that I am resolved to give this work as broad a base as possible. It is not necessary to go into the early history of our cotton, woollen, iron, and linen industry, in this small volume; and, if it were, time and space forbid it. The manufacturing supremacy of Great Britain is like a chain whose links have been forged and joined at long intervals. One of the principal links is cotton, another coal; but the first and foremost is labour. This is like the key-stone of the arch. The strength of the labourer, like the strength of the horse, goes in at his mouth. Our noble lords are beginning to find out that there is a famine in horses in this country, and are taxing their wits to find a remedy; but they are determined to ignore the fact that the country is drifting into a famine of manual labour. Several farms, to my knowledge, during the present harvest* have been unable to secure a sufficient supply of labour to enable them to house their potatoes. In one farm I visited I saw only two men forking on thirty acres of potatoes, and on asking why more men were not employed, the answer was, "We cannot get them for love or money, though we give 8d. per sack for forking and gathering." Again, our noble lords are also determined to ignore the cause of these evils. Remove the cause, and the evil will spontaneously disappear. Our manufacturers, merchants, and agriculturists, as a rule, find it difficult to realise a fair and remunerative profit on their transactions. So long as they could (especially in textile products) monopolise the use of inanimate labourers—that is, make a man and two boys attend the operations of 2,000 inanimate spinners, doing their work with unerring exactness—things went on smoothly enough, but now that other countries are doing the same, it is high time to look about them. To relieve themselves from the oppressive weight of foreign competition they appeal to the wage list, and find that there is nothing for it but to lower wages. The labourer and artisan do not believe in this mode of setting things square; in their turn they point to the high prices of food and beverages, rent, and fuel, as an overwhelming argument for keeping up wages. This brings us to the significant fact that some twenty-five years ago, when wheat was at the same price it is now, the four-pound loaf was about 2½d. cheaper than it is now; it was then 4½d., and it is now 7d. average, or somewhere about forty-five per cent. higher. How comes this to pass; seeing there is no Government tax on wheat? The difficulties of the

* The year 1875.

wages question develop themselves in the shape of combinations and strikes and lock-outs, or, in other words, capital and labour (twin brothers) fly at each other's throats, while the authors of their difficulties and dangers (the common enemy of both) look on laughing in their sleeves at their stupidity. The employing classes, and rightly so, are in the habit of reminding the workmen that wages, like all other commodities, are subject to the unerring laws of supply and demand, whilst the employers' organ (*Capital and Labour*) is dead set against recognising the fact that the "commodities" which have to be purchased with the wages of the toiler are not subject to these laws of supply and demand, and are not allowed by law to be so. Herein lies the gist of the whole question. The law of the land is, therefore, responsible for strikes and lock-outs, and the trades-union leaders, together with the employers' confederation, in their obstinate refusal to recognise that fact, are responsible for the continuation of them. We cannot truly write the history of strikes and lock-outs without showing the Government as the first striker and locker-out. For instance, they raise the imperial revenue by a tax on the food of the people. This leads to the dearness of living, and that leads the people to combine and strike for higher wages, or against lowering them, as the case may be; and this, again, tends to aggravate the evil of dear living to all the people, themselves included. In discussing the cotton industry, it is frequently but most erroneously referred to as being simply and solely a Lancashire question, whereas it is, and would under perfect free trade be felt and recognised as, a universal question. If they turn out a piece of calico at a reduced cost, the world reaps the benefit of the cheap clothing just as much as it would by a bountiful harvest making bread cheaper. It is also a national question. What would this nation be were she to lose her cotton industry? It is this industry that has developed almost all the other great industries. She has already been left far behind by the Continental nations in development of the linen industries. I concur in the opinion of a correspondent of *Capital and Labour Journal*, September 22, signed J. Bull. He says:—"There is no country in the world so exclusively dependent on brains and industry for its life and being as this of England. She has no exportable raw material but coal and iron, and the more of either she sends away the poorer she becomes. In fact, in selling these she parts with her very life's blood. She is great in exchange; as yet almost unrivalled in impressing a high value on the raw materials of others by manipulation and mechanical skill. But in her national and internal resources I know of no country poorer—i.e., in raw material." Mr. Dodson, M.P., observed that "out of 32,000,000 of population she was only able by her native acres to fill the mouths of 13,000,000 or 14,000,000." The same writer (J. Bull) goes on to say that we should "bear in mind that our ports are open and free; that foreign locomotives, hats, boots, yarns, come into our markets and undersell us." Here I must join issue with him. This is a grave

error; our ports are not "open and free." It may be true that the above articles are admitted free, but what about tea, coffee, malt, spirits, wine, tobacco, cocoa, chocolate, chicory, dried fruits, such as currants, raisins, figs, plums, and prunes? These are all, some heavily, taxed. Do we bear in mind that, in consequence of the above taxed articles, the ships bearing the free articles cannot be allowed to enter any harbour without being subjected to frivolous and vexatious delays and demurrage, in having to wait their turn to be overhauled, lest by any means they may have secretly stowed away some duty-paying article. Now all this operates in restraint of trade to such an extent as to add artificially to the cost of everything the consumer uses, *whether taxed or untaxed.*

It will probably be argued that the few articles taxed are not necessities, but only luxuries. Granted; but have I not shown that a tax upon one article alone will affect injuriously all other articles, and bear heavily upon the manufacturing and agricultural industries, as handicapping them in the race of competition with foreign industries? I am not advocating free trade in the interest of low wages, but in the interest of economy, peace, and retrenchment, because a system of import duties on foreign produce tends to excite a feeling of hostility between nation and nation, and forces commerce into unnatural channels, the effect of which is to exhaust the mineral wealth of this country, and by artificial means forcing into the hands of foreign rivals our latest improved machinery, besides coal and iron, the only prime raw materials we have; whereas, under a system of entire free trade, our export trade would be textile fabrics, which trade is ours by the beneficent scheme of Nature's universal division of labour. Mr. Gladstone, in his speech at the Hawarden Literary Institution, told us that "man's bodily and material life had wants which were perfectly imperative and indispensable. It is in his choice to a great degree whether he will cultivate his intellectual faculties. It can hardly be said to be in his choice whether he will labour for the supply of his bodily wants, and the wants of those that are immediately dependent upon him." Could there be a stronger argument than that in favour of untaxing the food of the people? Again, he said "that between the years 1790 and 1800 the average wages of agricultural labourers were 8s. per week," comparing that with the present rate of wages—about 15s. per week—in order to show that the agricultural labourer of the present time was in so much better position, and also that Merry England was merrier at the present day than she could possibly be then—forgetting that she had been for some years barbarously and lavishly wasting her blood and treasures, and for fifteen years after this went on doing so to such an extent as to load all future generations with that sore and oppressive burden which is commonly called our National Debt. Mr. Gladstone should have gone 200 years further back, and he would have found that England could afford to be merry at a much cheaper rate than she could either in 1800 or

1875, as the following bill of fare will show. We find in the Lansdowne MSS. that about Christmas, 1508, certain officials of the Court of King Henry VII. dined together at the Star and Garter, Richmond, and at the end of the entertainment the bill was as follows:—"For brede, 12d.; ale, 3s. 4d.; wyne, 10d.; two loynes of mutton, 8d.; maribones, 6d.; poudred beef, 5d.; two capons, 2s.: two geese, 14d.; five conyes, 15d.; one legge moton, 5 lb., 4d.; six plovers, 1s. 6d.; six pigeons, 5d.; two dozen larks, 12d.; salt, 6d.; buter and eggs, 10d.; maiden's gaynes, 12d.; herbes, 1d.; spices, 2s. 4d." Malt was then 4s. per quarter; it is now 70s. Let England abolish Customs and Excise Laws, and she will soon return to the plenty which is indicated by the above tariff. How much more happy would be the lot of the agricultural labourer with his 8s. or even 5s. per week under such a tariff, than 16s. a week would make him under the present state of things.*

For ten years ending 1872 our national expenditure averaged about £100,000,000 in round numbers annually on two taxed articles—beer and spirits—whose cost to the manufacturers, including raw materials, rent, wages, &c., is a little less than £18,000,000. Suppose we add to this, as fair profit to the trade, £18,000,000, or 100 per cent. Pay the tax direct instead of through the mouth, £24,000,000. Total cost, profits, and tax, £60,000,000—

First cost	£18,000,000
Profit, 100 per cent.....	18,000,000
Tax.....	24,000,000
	<hr/>
Total.....	£60,000,000

which, being deducted from the annual expenditure of £100,000,000, leaves a good balance of £40,000,000 unaccounted for. What becomes of it? This is a hard problem to solve. That it is worse than wasted there can be no doubt; and the sooner the general public are made acquainted with these glaring facts and follies of our fiscal transactions under the shield of so-called free trade, the nearer we shall approach to social and national salvation.

* It is true the value of money was higher at that date, but that will not account for the difference by some hundreds per cent.