

Of Taxes David Hume

There is a prevailing maxim, among some reasoners, that every tax creates a new ability in the subject to bear it, and that an increase of public burdens increases proportionably the number of the people. This maxim is of such a nature as is most to be abused; and is so much the more dangerous, as it cannot be altogether denied: but it must be owned, when within certain bounds, to have some foundation in reason and.

When a tax is laid upon commodities, which are consumed by common people, the necessary consequence may seem to be, that the poor must retrench something from their way of, or raise their wages, so as to make the burden of the tax entirely upon the rich. But there is a third consequence, often follows upon taxes, namely, that the poor increase industry, perform more work, and live as well as before, demanding more for their labour. Where taxes are, are laid on gradually, and affect not the necessities of life, this consequence naturally follows; and it is certain, such difficulties often serve to excite the industry of a, and render them more opulent and laborious, than others, enjoy the greatest advantages. For we may observe, as an instance, that the most commercial nations have not possessed the greatest extent of fertile land; but, on the other hand, that they have laboured under many natural difficulties. TYRE, ATHENS, CARTHAGE, RHODES, GENOA, VENICE, are strong examples to this purpose. And in all history, find only three instances of large and fertile countries, have possessed much trade; the NETHERLANDS. ENGLAND, and. The two former seem to have been allured by the situation of their maritime situation, and the necessity they were under of frequenting foreign ports, in order to procure what their own climate refused them. And as to FRANCE, trade has come into that kingdom, and seems to have been the effect of an observation in an ingenious and enterprising, who remarked the riches acquired by such of the nations as cultivated navigation and commerce.

The places mentioned by CICERO, as possessed of the greatest in his time, are ALEXANDRIA, COLCHUS, TYRE, SIDON, CYPRUS, PAMPHYLIA, LYCIA, RHODES, CHIOS, BYZANTIUM, SMYRNA, MILETUM, COOS. All these, except ALEXANDRIA, were small islands, or narrow territories. And that city owed trade entirely to the happiness of its situation.

Since therefore some natural necessities or disadvantages may be thought favourable to industry, why may not artificial burdens have the same effect? Sir WILLIAM TEMPLE, we may observe, the industry of the DUTCH entirely to necessity, from their natural disadvantages; and illustrates his by a striking comparison with IRELAND; "where," says he, "by the largeness and plenty of the soil, and scarcity of people, things necessary to life are so cheap, that an industrious man, by two days labour, may gain enough to feed him the rest of the week. Which I take to be a very plain ground of the laziness to the people. For men naturally prefer ease before, and will not take pains if they can live idle; though, by necessity, they have been inured to it, they cannot, being grown a custom necessary to their health, and to every entertainment. Nor perhaps is the change harder, from ease to labour, than from constant labour to ease." which the author proceeds to confirm his doctrine, by, as above, the places where trade has most, in ancient and modern times; and which are commonly to be such narrow confined territories, as beget a voracious industry.

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The best taxes are such as are levied upon consumptions, those of luxury; because such taxes are least felt by people. They seem, in some measure, voluntary; since a man chooses how far he will use the commodity which is taxed: They are paid gradually and insensibly: They naturally produce frugality, if judiciously imposed: And being with the natural price of the commodity, they are perceived by the consumers. Their only disadvantage is, they are expensive in the levying.

Taxes upon possessions are levied without expence; but have other disadvantage. Most states, however, are obliged to recourse to them, in order to supply the deficiencies of the.

But the most pernicious of all taxes are the arbitrary. They commonly converted, by their management, into punishments on; and also, by their unavoidable inequality, are more, than by the real burden which they impose. It is, therefore, to see them have place among any civilized.

In general, all poll-taxes, even when not arbitrary, which commonly are, may be esteemed dangerous: Because it is so for the sovereign to add a little more, and a little more, the sum demanded, that these taxes are apt to become oppressive and intolerable. On the other hand, a duty on commodities checks itself; and a prince will soon find, that an increase of the impost is no increase of his revenue. It is easy therefore, for a people to be altogether ruined by such.

Historians inform us, that one of the chief causes of the fall of the ROMAN state, was the alteration, which introduced into the finances, by substituting an poll-tax, in lieu of almost all the tithes, customs, excises, which formerly composed the revenue of the empire. People, in all the provinces, were so grinded and oppressed the publicans, that they were glad to take refuge under the arms of the barbarians; whose dominion, as they had necessities and less art, was found preferable to the tyranny of the ROMANS.

It is an opinion, zealously promoted by some political, that, since all taxes, as they pretend, fall ultimately on land, it were better to lay them originally there, and every duty upon consumptions. But it is denied, that all fall ultimately upon land. If a duty be laid upon any, consumed by an artisan, he has two obvious expedients paying it; he may retrench somewhat of his expence, or he may his labour. Both these resources are more easy and, than that of heightening his wages. We see, that, in a scarcity, the weaver either consumes less or labours, or employs both these expedients of frugality and industry, which he is enabled to reach the end of the year. It is but, that he should subject himself to the same hardships, if he deserve the name, for the sake of the publick, which gives protection. By what contrivance can he raise the price of his? The manufacturer who employs him, will not give him more: can he, because the merchant, who exports the cloth, raise its price, being limited by the price which it in foreign markets. Every man, to be sure, is desirous of off from himself the burden of any tax, which is imposed, of laying it upon others: But as every man has the same, and is upon the defensive; no set of men can be to prevail altogether in this contest. And why the gentleman should be the victim of the whole, and should be able to defend himself, as well as others are, I cannot imagine. All tradesmen, indeed, would willingly prey upon, and divide him among them, if they could: But this they always have, though no taxes were levied; and some methods, by which he guards against the imposition

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of before taxes, will serve him afterwards, and make them the burden with him. They must be very heavy taxes, indeed, very injudiciously levied, which the artizan will not, of, be enabled to pay, by superior industry and frugality, raising the price of his labour.

I shall conclude this subject with observing, that we have, regard to taxes, an instance of what frequently happens in institutions, that the consequences of things are opposite to what we should expect on the first. It is regarded as a fundamental maxim of the TURKISH, that the Grand Signior, though absolute master of the and fortunes of each individual, has no authority to impose new tax; and every OTTOMAN prince, who has made such an, either has been obliged to retract, or has found the effects of his perseverance. One would imagine, that this or established opinion were the firmest barrier in the against oppression; yet it is certain, that its effect is contrary. The emperor, having no regular method of his revenue, must allow all the bashaws and governors oppress and abuse the subjects: And these he squeezes after return from their government. Whereas, if he could impose a tax, like our EUROPEAN princes, his interest would so far be with that of his people, that he would immediately feel bad effects of these disorderly levies of money, and would, that a pound, raised by a general imposition, would have pernicious effects, than a shilling taken in so unequal and a manner.