

**AN EXAMINATION OF SOME  
PREVAILING OPINIONS, AS TO  
THE PRESSURE OF TAXATION IN  
THIS, AND OTHER COUNTRIES**

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BY  
GEORGE WARDE NORMAN, ESQ.

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## CHAPTER I.

## STATEMENT OF QUESTIONS TO BE DISCUSSED.

THERE are, perhaps, no opinions more firmly adopted by the vast majority of the British people than those enunciated in the following propositions :—

1. That the amount of the public expenditure constitutes the great evil of the Government of this country, and seriously impedes the progress of the general prosperity.

2. That the public expenditure and consequent taxation of Great Britain is much heavier than that of other large civilized countries.

3. That the British Government is eminently prodigal in its expenditure, when this is compared with the results obtained, or with the expenditure of the Governments of other great and civilized countries for similar purposes.

The doctrine contained in these propositions forms the stock in trade of the popular orator. When insisting on them, he is well aware that he is touching a chord which vibrates in the national heart, and does not even attempt to prove that which nobody thinks of denying.

But it is not merely in that part of the community where democratic sympathies most abound that the doctrine prevails. If we go to a meeting of agriculturists we shall find it held with an equally undoubting faith. We are there told by every speaker, that British farmers or landowners can never successfully contend against foreign competition, on account of the heavy public burdens to which they are subjected; while we are also informed that the foreign corn or cattle producer is in the enviable condition of enjoying the blessings of government almost without having to pay for them.

Again, the shipowners declared that the maintenance of the navigation laws was necessary for them, on account of the comparative freedom from taxation enjoyed by their foreign rivals.

In short, complaints against our fiscal burdens are all but universal: differing, as they do, upon almost all other points, upon this Churchman and Dissenter, Whig, Tory, and Radical, agriculturist and shipowner, find that they can cordially agree.

So undoubting and inveterate, and all but universal is the national feeling upon this matter, that even Ministers, and other organs of the Government, whose tendencies seem to lie in an opposite direction, appear in some degree to participate in it. They may now and then point to the enormous amount of taxes abolished since the Peace as a reason for suspecting that the remaining burdens cannot be quite so severe as is commonly imagined;



and their expressions, however cautious and well guarded, may lead to the suspicion that their secret opinions are not quite in unison with the orthodox faith; but we seldom find them questioning the truth of the popular notion in its essentials.

The opinion of other nations upon these matters quite agrees with our own. Foreigners universally imagine that the fiscal burdens of the British people are of unparalleled magnitude, and that in this respect our freedom is dearly purchased and paid for.

The object of the following pages is to bring the question to the test of a candid and truthful examination, the result of which will shew to what, if any extent, the common notion as to the financial condition of Great Britain is well founded.

Some observations as to the inferences which ought to be drawn from the actual condition of things, as it shall be shewn to exist in this respect, will form an appropriate termination to our labours.

It may here be remarked, that although the matters in question have never been brought distinctly under discussion by any writer of authority, yet, that when incidentally alluded to, the opinions put forth by some of our most distinguished writers and statesmen, imply a difference of view from that entertained by the public at large. The Chancellor of the Exchequer, in a speech delivered during the last Session, expressed a feeling opposed to that

generally prevalent. A writer in a recent number of the "Edinburgh Review" has gone still farther in the same direction, and the present author may successfully defend himself against the charge of seeking to maintain a senseless paradox, by the following citations from two writers, whom the public voice places at the head of the political economists of our age and country.

Mr. J. S. Mill, in his recent work, vol. ii. page 366, says:—"A country which, like England, accumulates capital, not only for itself, but for half the world, may be said to defray the whole of its public expences from its overflowings; and its wealth is probably as great as if it had no taxes at all." He adds, however: "What its taxes really do is to subtract from its means, not of production, but of enjoyment; since whatever any one spends in taxes, he could, if it were not taken for that purpose, employ in indulging his ease, or in gratifying some want or taste which at present remains unsatisfied."

Mr. Mill's last remark may be followed out by observing, that the means possessed by a nation of spending upon objects of immediate enjoyment not strictly necessary, are commensurate with its means of saving. The indubitable fact that an enormous accumulation of capital, the result of an excess of income over expenditure is the normal condition of England, affords a decided proof that our enjoyments, so far as they arise from unproduc-

tive consumption, cannot be diminished to any excessive extent by the pressure of existing taxation.

Mr. J. R. Maculloch in his work on Taxation, page 10, informs us, that probabilities "go far to warrant the belief that but for the contests in which we have been engaged since the Revolution, the greater part of the wealth expended in carrying them on would never have existed." He goes on to explain his views further by insisting on the extent to which industry, invention, enterprize, and economy, were stimulated by the increasing pressure of taxation.

In other passages, however, Mr. Maculloch seems to consider the taxation of England as being very heavy, and that it occasions a transfer of capital to other countries. He particularly insists upon the decay of Holland as having arisen from its high taxation.

It is indisputable that Holland is, and long has been heavily taxed, but the fact of her absolute decline may still be doubted. She is probably as rich now, as at any former period,—the apparent decline arises from the comparatively more rapid advance of other countries, possessing more extensive and more fertile territories, and a larger population, which in recent times, under an improved system of government, have availed themselves of their natural superiority.

It may further be remarked, that taxation apparently very heavy, when compared with the