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THE THEORY OF SINGLE TAX UPON LAND IN THE AGE OF THE GLORIOUS REVOLUTION

— John Locke on English Land Tax —

AKIO ISHIZAKA

I. INTRODUCTION

The theory of *l'impôt unique*, which reached its culmination with François Quesnay and his school of Physiocracy and the influence of which were perceived even in Thomas Chalmers of the Classical School and Henry George in U. S. A¹⁾, had found its predecessors as early as in the last quarter of the 17th century. Then why did this theory appear in the age of the Glorious Revolution for the first time, and how could this be consistent with the system of English Mercantilism? In this article we intend to deal with the taxation theory of John Locke, the representative and the most influential thought of *l'impôt unique*, in an attempt to throw some light on the question mentioned as well as to follow up its significance in relation to the actual financial policies of England during the age of Mercantilism.

It is true that there has been many excellent results achieved by Locke's economic theory and they are still energetically pursued. However, strange enough, his theory of taxation has scarcely been discussed nor rightly evaluated in relation to the contemporary taxation policy and tax system. It is partly because William Petty and Thomas Hobbes have occupied such a significant²⁾ place in the eyes of the historians of taxation thought, that Locke has been treated as no more than a vindicator for the right of approval of taxation

¹⁾ Thomas Chalmers, *Political Economy in Connexion with the Moral State and Moral Prospect of the Society*. Glasgow 1882 Chaps. 8-9, Henry George, *Progress and Poverty*. 1880 25th ed. N. Y. 1916 Book VIII chap. III p. 406 f.

²⁾ As for the studies in Locke's theory of taxation in Japan, Prof. Yasuhiko Shima, Kinsei Sozei Shisōshi (Studies in the history of modern taxation thoughts) 1st ed. 1938, was a pre-war pioneer work and still it is in high esteem. After World War II Masao Hamabayashi made an analysis of Locke's taxation policy comparing it with that of Charles Davenant in "Locke Keizai Shisō no Shakaiteki Kiso" (Social Backgrounds of Locke's Economic Thought) *Shogaku Ronshu*, (Faculty of Economics, Fukushima University) Vol. 22 no. 6 1954. On the other hand a specialist in public finance pursued Locke's theory of taxation and theory of shifting and incidence of taxes: Osamu Sugawara, "John Locke ni okeru Sozei Riron no Kenkyū" (Studies in the theory of taxation by John Locke) *Papers of Faculty of Economics*, Toyama University, nos. 6-8, 1955. Recently Prof. Toshihiko Hirai introduced Locke's theory of taxation in his work from the point of view of economic thoughts and history of economic doctrine at length but he makes no positive evaluation. "John Locke ni okeru Ningen to Shakai" (Human Being and Society in the System by John Locke) Kyōto 1964 chap. iii, § 7.

in the bourgeois society. Thus now it seems hardly possible for us to compare the thought of taxation in the age of the English Glorious Revolution with French Physiocracy, and by any means the studies in the theory of William Petty could be deepened. So we hope, this short article concerning Locke's theory will fill a gap in the history of English taxation³⁾ as well as to present an exact idea about the English Land Tax which has too easily been referred to, certify the modern character of the Land Tax Reform in our country in 1873⁴⁾.

Of course we have to refer in the way of our study to his inheritance to Adam Smith and François Quesnay as well as to the contrast of his theory with another contemporary plan of taxation by several persons such as Petty, but exigencies of space oblige us to wait for another opportunity.

II. LOCKE ON TAXES AND THE SIGNIFICANCE OF HIS THEORY

Locke discussed his theory of taxes as a digression in his famous *Some Considerations of the lowering Interest and raising the Value of Money*⁵⁾ published in 1691, therefore its significance has been often neglected. However it was here for the first time that the economic thought of the single land tax came into existence, and we can even perceive an economic circulation model which he bore in mind, a precocious *tableau économique*, through his analysis of shifting and incidence of taxes.

Locke aimed at persuading some sort of landlords, desperately fallen in debt and having his landed property mortgaged, to desist from attempting to lower the legal maximum rate of interest, in hopes that they would be able to sell their land for a favourable price, if the legal interest rate were reduced. Because it would not only be no use but even harmful to them; if it should happen that all the available money (i. e. fund) is the more engrossed in the hands of the London Bankers and does not flow into the pipe of "trade" (here he meant industry and commerce), English trade would decay and this would necessarily result in a lower level on the price of land. And mention-

³⁾ e. g. W. Kennedy, *English Taxation 1640-1799* Lond. 1913 chaps. iv, v. On the contrary, we must esteem so highly: F. K. Mann, *Steuerpolitische Ideale 1600-1935* Jena 1938, which, notwithstanding much confusion, combined the theory of *l'impôt unique* with the thought of natural right in the age of Bourgeois Revolutions, on the other side located the ideals of excise in the interest of the absolute monarchies.

⁴⁾ Here is no place for us to pry into this problem which has been so long discussed. But one thing should be pointed out. From the point of view of comparative economic history we should take in our frame of reference not only the land tax after the Glorious Revolution but the tax system under the ancien régime, and besides we must compare our tax system after the Meiji Restoration with several backward countries such as Prussia or Russia, too. Otherwise this comparison would be by all means one-sided!

⁵⁾ In Vol. II of: *The Works of John Locke* 3 Vols. 1727 [3rd ed.).

ing several causes which cut the land value down, apart from the movement of the rate of interest, he pointed out as one of them, an evil system of taxation, especially the excise duties upon the native goods. Thus he presents a famous maxim :

“*Taxes*, however contriv’d, and out of whose Hand soever immediately taken, do in a Country, where their great Fund is in Land, for the most part terminate upon Land,” (p. 27)

arguing that even the excise duties would finally rebound to the shoulders of land lords, more heavily than in case of land tax. Now suppose the total amount of English land rent to be £ 12 million a year and £ 3 million is required as public revenue. If this sum should be made up entirely with land tax, landlords would lose a quarter part of his yearly rent seemingly which would be no negligible burden! Then how should it be that one try such duties most effectless of all for land as an excise on the commodities, just as some Gentlemen would expect? In this case there would be not only formidable charges for raising and an unbearable disturbance to the trade necessary⁶⁾,

“as a *Tax* of that nature cannot be levied by Officers, to watch every little Rivulet of Trade, without a great Charge, especially at first trial.” (p. 28)

but also landlords and landholders⁷⁾ themselves would suffer bitterly. Now suppose this £ 3 million to be shifted to the commodities, then these duties would be paid by the consumers as the price of goods would be dearer by *one-fourth* [sic]. But who are they that take the real charge over? Merchants and brokers would never bear them, because they can sell the goods dearer in proportion as they buy higher. How is it then with a labourer or a handicraftman?

“He just lives from Hand to Mouth already, and all his Food, Clothing and Utensils, costing a quarter more than they did before, either his wage must rise with the price of Things, to make him live; or else, not able to maintain himself and Family by his Labour, he comes to the Parish [to the burden of the parish poor relief]; and

⁶⁾ Charges for the collection of excise occupied 5.4% of the net revenue against 3.4% in case of land tax. W. R. Ward, *The English Land Tax in the 18th Century*. Oxford 1953 p. 148.

⁷⁾ “Landholder” is used here as meaning “landlord”. Locke himself sometimes used this word as an occupying landowner or farming gentleman, however this word must not be confused with a “farmer” or “copy-holder”.

then the Land [landlord] bears the Burthen a heavier way." (p. 28)⁸⁾

Nor can the agricultural entrepreneur (farmer) bear them. In case the wage cost has risen a quarter [sic], his proceeds of product, wool or corn, would stay the same or rather diminish on account of decreased demand caused by the excise duty⁹⁾. Thus he has no other choice than to apply his landlord for a partial or total remission of rent, otherwise he should have to flee with his rent unpaid.

"For when the yearly Charge in his Farm is greater by the Increase of the Labourers Wages, and yet his Product sell cheaper by reason of the *Tax* laid on his commodities; how will the Farmer be able to make up his rent at Quarterday?" (p. 28)

This holds true even with the Dutch Republic where the greatest part of public revenue consists of the levies upon trade, which necessarily bring about a loss of a quarter or one-eighth of land rent on the part of landlord.

"The Burthen unavoidably settles upon the Land first, and when it has pressed so, that it can yield no more, Trade must be brought in Aid to help to support the Government rather than let all sink." (p. 30)

It is true that the trade of Amsterdam alone pays 36% of the total public charges, but it is because a rural district like Guelderland came to be so much impoverished as to lack the cash to pay the taxes, and it is not until such a situation occurs that duties laid on the commodities cannot be transferred to the shoulder of landlords¹⁰⁾.

⁸⁾ The Poor Rates were to be distributed among the inhabitants of a parish in accordance with "dignity and worth" (E. Cannan, *History of Local Rates*. 1928 pp. 78-101), however in reality almost the entire, that is about £ 665,000 a year, fell on the shoulder of landed class. Cf. F. M. Eden, *State of the Poor 1797*. I. pp. cxlvii-cliv, Charles Davenant, *An Essay upon Ways and Means for supplying the War 1695* p. 79.

⁹⁾ [Marquis of Halifax?], *Essays upon Taxes, calculated for the present Juncture of Affairs in England*. 1693 repr. in: *Somers Tracts Vol. II* pp. 73-81, which was written under the evident influence of Locke, pointed out such other injuries caused by excise as knocking down of the buying price against the producer and enhancing the selling price by the merchants, deprivation from the fund to give a credit, and increase in the operating funds necessitated by the advance payment of the duty. This is really an anticipation of Quesnay's *Maximes Générales de Gouvernement*. This author asserts that the excise would cause the price to appreciate three times as much as the sum of duty. (p. 79).

¹⁰⁾ Here the connection of the preponderance of excise in the Dutch Republic, with its specific economic structure of Dutch staple market never came into his consciousness. Rather expressed this point John Cary, one of his brain-trusts, clearly. Cf. J. Cary, *An Essay upon the State of England etc.* 1695 p. 125 Also, [Halifax?] *op. cit.*, p. 79.

So we find here a model of English Economy after the Glorious Revolution imaged by Locke which he described as a mechanism just to make a tax shift and fall on the landlords. This economic circulation consists of four subjects, that is, landholder (landlords), agricultural entrepreneur (capitalist farmer), wage labourers including handicraftmen besides merchants and brokers who intermediate these three. Later he introduces manufacturers and their labourers (e.g. clothier), so that here is seen an almost perfect relation of tax-shifting among the three fundamental classes in a modern capitalist society. (The consumers can be dissolved into any of these three, menial servants who are paid out the household of a landlord we shall lump together to this class.) Wage labourers are here depicted as paid the minimum to make their lives with, so that it is quite impossible to reduce their real wage any further and they are not qualified to take part in the burden of public charges. Then how does the profit of farmers stand against the rent? As a matter of course Locke did not grant the farmer an average rate of profit upon his capital investment, never thinking that the surplus only, after taking off a normal profit, should be distributed to the landlord as the rent. By Locke it is a self-evident right of a landlord due to the "unequal distribution" of estate to get land rent, just like a money-lender (a money-lending capitalist who is paid with interest). So,

"While land is apt to bring in yearly to him that manages it, a greater Overplus of Income above his Rent, as a Reward to his Labour" (p. 23),

the demand for the lease comes about, the price of which (rent) would depend upon the situation of demand and supply between leaser and lessee. Just like the money (according to his argument) land rent would be a deduction out of the profit just like the interest. Thus it would be right to infer that Locke should have thought the normal profit of a farmer to be the same as that of a trader with borrowed capital.

Based on such a plan of economic circulation which had not yet been accomplished as a *Tableau économique*, how did Locke try to rationalize a single tax on land? From his statement which we quoted at first, it is likely that Locke thought that all the net revenue derived from "land" (that means: agricultural sector), and therefore landlords who engrossed all this social net revenue naturally could not but pay the whole public burdens. In reality he consciously or unconsciously equalled the national expenditure figure with total sum of land rent, when he stated that the price would rise a quarter with a duty of £ 3 million on the commodities.

And such were the cases with many vindicators for the landed interest¹¹. Locke, however, never regarded agricultural labour alone as productive nor assimilated the social net revenue with land rent. Like many contemporary English Mercantilists Locke clearly realized that not only "land" but also the "industry" (labour) produces the "wealth", and rather evaluated the latter far higher¹².

"In such Places of Manufacture [as Halifax in the North or Taunton and Exeter in the West], the Riches of the one not arising from the squandering and waste of another (as it doth in other Places where Men live lazily upon the Product of the Land), the Industry of the People bringing in Increase of Wealth from remote Parts, makes plenty of Money there, without the impoverishing of the Neighbours" (p. 20).

According to Locke nine-tenth of the wealth in a society was the deed of labour (Second Treatise of the Civil Government sec. 40).

If he does not admit that the agricultural income is the original one and land rent is the very form of the social net revenue, reasoning appears naturally more obscure. Locke had already motivated in the *Second Treatise of the Civil Government* "Civil Society" in the partial concession of powers which were allowed in the "State of Nature" by everyone wishing to protect his property—life, liberty and estate—from any infringement. Thus seen from his benefit theory of taxation, it is natural that every owner of estate—real or personal, accumulated products of labour—should take part in burdens to maintain the society, in accordance with the decision of their representative organ (Parliament) (sec. 140). Of course Locke could not permit the excise, different from Petty, Hobbes and Harrington. As he regarded the wage labourers as inhabitants who took part in the society but were no lawful members of it, he was able to say nothing of their capacity of the public charges¹³. Further he rejects not only all the excise duties

¹¹ e. g. Anon., Reasons for a limited exportation of wool 1677 p. 5. J. Asgill, Several Assertions proved in order to create another species of money than gold and silver. 1696 (A reprint of Economic Tracts ed. Hollander) p. 13. [James Drake], An Essay concerning the necessity of equal taxes. 1702 p. 2. Also it is usual that a scholar in the economic thought included R. Cantillon, *Essai sur le Commerce en générale*, 1775 ed. by H. Higgs p. 42 in this category, but his theory of taxation is not clear for us.

¹² This assertion reappeared in John Pollexfen, one of his friends: A Discourse of Trade, Coyn and Paper Credit etc. 1697 "Our moveable Riches had had their original, and must have their Increase from the Labour and Industry of our People." (p. 43).

¹³ W. Petty, A treatise upon Taxes and Contributions 1662, in: Economic Writings of Sir William Petty ed. by C. H. Hull 1899 Vol. I p. 91 T. Hobbes, *Leviathan* pt. ii chap. xxx 1651, James Harrington, *The Commonwealth of Oceana*, in: Works ed. 1771 p. 151. However, Petty only introduced an excise in a place where the tax should be levied in accordance with

but also any direct tax on profit due from the capital or movable estate. So he developed his theory of shifting and incidence of taxation at first in order to show that all excise duties should terminate on the shoulders of the landlords. Because, in case of the excise on the goods consumed by the mass—native or home-bred commodities—it would be necessary that the net proceed after deducting duties would decline on account of the decreased demand, even if the seller would try to shift them to the consumers by raising prices. Thus the capitalist farmer could not clear off the charge of duty but would be obliged to take some part of the burden. Of course he admits a levy on some imported luxurious articles is necessary. For example nowadays the English world of society cannot go without French wine, so it is imported with a duty and continues to sell good, and the dearer it costs, the higher it would be esteemed on account of vanity. Even if not, the merchant would transfer his trade to any other lucrative article, tempering themselves from importing wine and suffering no loss. But this is not the case with native commodities (p. 28). Besides Locke never stood by the opinion that the burden of the excise could be dissolved by harder labour of the working people. At that time in England it had been often alledged that the employer was obliged to bear the higher wage cost in a time of cheaper prices of provisions in order to secure the necessary hands as “labouring poor” would cut their labouring hours to live in sloth, that it was desirable to raise the price of the necessaries artificially by means of excise duty¹⁴). In truth this alledgation is derived from a circle something different from the industrial entrepreneurs, and Locke himself paid no heed to such an argument. On the other side, it was no problem for Locke to take advantage of the excise duty as means to cut off the home consumption to develop the export¹⁵), just as Petty and Davenant plead; this meant a critics upon such a rationalization of excise as this duty would be borne by

one's estates, assimilating the “actual wealth” with what one might spend in foods and drinks or apparrels. And Hobbes justified only the duties upon luxuries, but by no means possible is it to deduce from his reasons an excise upon the necessaries of life. With Harrington the reasons for an excise is very obscure, but presumably he tried to convert the burdens of lower landed gentry to the public. By the way as a new interpretation of Locke's *Treatise of the Civil Governement* in the light of *Some Considerations*, constructing a very consistent theory of bourgeois society, see C. B. Macpherson, *The political theory of Possessive Individualism*, Hobbes to Locke. Oxford 1962. chap. v.

¹⁴) As an example of such assertions that are too numerous to be pointed out exhaustively, see contemporary writer, J. Child, *A New Discourse of Trade*. 1693 preface. Petty, *Political Arithmetick*. *ibid.* II p. 274 Yet Locke never positively vindicated an higher wage level in England than in the neighbouring countries to be a pillar to maintain a vast home market—so called economy of high wage.

¹⁵) Petty, *Political Arithmetick*, p. 271 Davenant, *An Essay on the East India Trade* 1697 p. 31.

everybody in society equally and paid unconsciously through the price of the commodities and the ones who are frugal in their expenditures pay less of the duty¹⁶⁾.

From what he alleged, it came to be clear that the excise duties on domestic commodities were injurious to the industrialists or farmers. Yet there remain two questions: why the profit should not pay the tax hand in hand with the rent, and even if the land rent alone be taxed, will the burden not be dissipated to the other classes by way of an exalted rent? Actually Petty argued contrary to Locke that the land tax would be an "irregular Excise"¹⁷⁾ and would only result in higher rents and consequently higher prices of agricultural products. Still Locke admitted there was no possibility for a farmer to raise the price of agricultural products when charged with the excise. So then how could the land tax not be shifted to the farmer? Of course this problem of shifting was to be dealt with in relation to the transference of capital from the agricultural sector to another and the fluctuation of the profit and rent level brought about thereby. But Locke, regardless of such a problem, held without reserve that for the farmer there was no room left to pay any higher rent. Thus as "the Tenant's Bargain and the profit is the same, whether or not the Land be charged, with an Annuity payable to another Man", so the land tax "influences not at all the yearly Rent of the Land." (p. 28) (In truth the effects of a land tax upon all the land will differ from those of particular rent charges). If there should happen to be a burden on the capitalist farmers, direct or indirect, this would necessarily cause a lowering of the rent. Otherwise, the landlord would lose his rent not only because of the bankruptcy of his farmer, but also would be charged with higher poor rate to maintain the unemployed agricultural labourers. Thus he would pay more than what he ought in the case of land tax itself, and that would be accompanied by the ruin of farmers who are indispensable for the prosperity of England!

What should it have been that Locke really aimed at, when he tried to show the necessity of single land tax by the way of a shifting theory so defectively composed? He would charge all tax burdens upon the land rent alone as a surplus profit, based on the tripartite system which had established itself irreversibly¹⁸⁾. However, seen statically, it is hardly justifiable to remit

¹⁶⁾ "Excises...would lie equally upon the whole" and "being an easie way of contributing insensibly paid". Davenant, *Ways and Means*, pp. 120, 147.

¹⁷⁾ Petty, *Taxes and Contributions*, pp. 39-40.

¹⁸⁾ Petty stood just against this stand point: "The fourth Impediment is, That Taxes in *England* are not levied upon the *expence*, but upon the whole *Estate*; not upon *Lands, Stock, and Labour*, but chiefly upon Land alone." *Political Arithmetick* p. 301. Davenant, too, who was a champion for the alleviation of the tax burden upon the landed interest and foreign

the profit from the tax charges. So introducing the Mercantilism theory of balance of trade, he discussed this problem from the point of view of the economic development of England. The yearly products, that would never be able to help the agrandizement of the "wealth of the Nation" (p. 30) if consumed, should be accumulated to be taken advantage of as "Stock". But this should be inevitably converted in to bullion stock, which could be obtained by no other means than a favourable balance of trade if one take England on the whole. So far as he defined the affluence as

"having more in proportion, than the rest of the World, or than our Neighbours whereby we are enabled to procure to ourselves a greater Plenty of the Conveniencies of Life than comes within the Reach of Neighbouring Kingdoms and States", (pp. 7-8).

it was surely the target of economic policy to provide England, in spite of international competition, with the necessaries of life and materials on a more favourable condition than the Neighbours could. If nothing else can bring in such an favourable balance of trade than "trade" (industry and commerce), this "trade" should be protected above all. Just as in the same sense that Locke fought against the lowering of the legal maximum rate of interest as being injurious to the flow of available funds into "trade", he rationalized the remission of the profit on the capital as necessary to develop the capital accumulation or to increase the competing power in the international trade war. Yet Locke made no positive discrimination between the productive labour and unproductive one, nor did he go so far as to vindicate the conversion of a superfluous labour force like servants and maids in the household of the landlords. Yet he was not afraid at all of a decrease in the expenditure of landlords—especially the conspicuous consumption—effectuated by the land tax. For this reason with him the collection of taxes was nothing more than a mere necessary evil, for which he admitted no positive evaluation as an increased effective demand by way of Government expenditures¹⁹⁾.

traders, admitted that the excise duty would terminate upon the land rent in the end, yet with this reason he eagerly asked to charge the final consumable products, the furthest from the land (Discourses on the Publick Revenues etc. 1696 pt. i pp. 224, 236), even alleged to shift one-fourth of the land tax charge from the landlord to the wealthy Farmers. (Ways and Means, p. 113). Thus contrasted, the difference of the stand point of Davenant from that of Locke comes to be more decisive that is commonly thought. Another pamphlet, *A Discourse (by Way of an Essay) towards the raising of Money by an Excise*. 1695, demands a tax on the farming capitals—houses and eattles—in place of land rent.

¹⁹⁾ Pollexfen, op. cit., p. 154, Cary, op. cit., 162. It is true that Locke should have had something of the idea of a productive labour, when he affirmed that a great sum of money, shifting masters so often, among the gamesters, "as to the publick...perfectly lies still" and "Lazy and unworking shopkeepers in this being worse than Gamesters, that they do not only keep so much of the Money in their Hands, but also make the publick pay them for their keeping of it." (p. 15).

Locke deduced, out of his quantity theory of money, that the landlords would be able to receive a greater sum of land rent in the end, paying a temporarily severe charge of a single land tax, as the "trade" would flourish thereby and the agricultural products sell better; on the other side, he explained, if the balance of trade come to be unfavourable so as to let the national stock of precious metal out, so the demand for the manufactured goods, would diminish, through which the market for the agriculture would be contracted. The level of the land rent would depend upon nothing other than the prosperity or decline of this "trade"!²⁰⁾

In truth such an explanation held true for the first time, only when the landed interest utterly came to be involved in the capitalist economy. Of course it was then not at all certain that every landlord would be able to be compensated for his land tax with an increased land rent, and in reality this heavy land tax burden, as will be dealt with below, did cause the ruin of so many landed gentries and the redistribution of landed properties. Nevertheless, Locke, who himself belonged to a family of landed gentry and often expressed their supreme position in English society as a matter of course, alleged such a radical theory of a single tax upon land which meant nothing else but a virtual confiscation of a part of the landed estates, just because this guaranteed to the English landed class its existence in a precocious capitalistic society in the stage of mercantilism (that is to say the preparatory period for the Industrial Revolution) as well as the superiority in English politics.^{21), 22)}

III. ENGLISH "LAND TAX" 1693-1797

Such a theory of a single tax upon land could never be, apart from a mere idea, put into practice in actual politics, nor was it by any means easy to give up all the other sources of public revenues from the view point

²⁰⁾ As a predecessor of such a view found later by James Steuart, see *Taxes no Charge* 1690 A Collection of Harlein Miscellany ii p. 523. Also as an example of such a writing explaining the harm of land tax caused by the decreased expenditure of landlords' household, cf., Anon., *A Humble Petition of Common People of England* 1690 (Lincoln's Inn Library, Brydall Collection 33 f. 1)p. 1.

²¹⁾ I. Prof. Shima concluded that the predominant share of land rent occupied in the national income in England at that time was reflected in Locke's theory of single land tax. But it was just the reverse! (op. cit. p. 193) Still the preponderance of landed gentry in the government and parliament one thing, and another is the realization of the narrow economic interest of this class. On this point is to be made clear the co-relation of English political, administrative and judicial system in the age of Mercantilism—so called *Honoratioren herrschaft*—with the industrialization of Enland.

²²⁾ Such a single tax upon land was supported of course by the public—labourers and artificers—as a barrier against the excise, yet Locke was no spokesman for them but that of the trade (industrialists).

of state-financiers. If so, how far was his theory able to provide practical ground and what a sort of tax did this theory push objectively? Thus we are to make an analysis of the English (so-called) Land Tax.

It was in 1693 that a tax upon the land rent came into existence in full scale, and it was renewed every year until 1797 when the Prime Minister Pitt put an end to this tax, admitting the landlords to redeem the land tax by purchasing so much of the national stock (Land Tax Perpetuation Act), although the Monthly Assessments under the Protectorate or several sporadic direct taxes (Subsidies and Aids) under the Later Stuarts were commonly called "Land Tax"²³. The first act levying land rent, *An Act for granting to their Majesties an Aid of Foure Shillings in the Pound* etc. in 1692 (4 William and Mary c. 1) stipulated the following: (i) Any person or persons, bodies politic and corporate, guilds, or fraternies having or holding both with in this Kingdom and abroad "ready money or debts, goods, wares, and merchandise and other chattles and personal estates" shall pay 24 shillings upon £100 worth of goods, setting aside desperate debts and moneys bona fide owing, except "household-stuff, stock upon lands and joint stock" (Art. 1). This meant an assumption of a profit of 6% for all movable properties, i. e. legal rate of interest, and levying one-fifth thereof (ii). All the income out of Publick Offices, Employments of Profits, Salaries, Bounties, Gratuities and Reward Fees including the payment to the agent and clerks shall be levied with one-fifth of the sum, except for them in the army or navy or in the Royal Household (Art. 2) (iii). One-fifth of all the rent shall yield the tax of 20% of the yearly value. "All and person or persons having or holding any manour, messeage land and tenement as well as quarries, mines in coal, tin copper muncick iron, iron works, salt pit and refineries, alum and refineries, park, shase, warren, wood, underwood, copice, fishing, tithe, tolls, annuities and all the other yearly profits and hereditaments shall yield and pay the sum of four shillings of every 20 shillings by the year which the said manor etc. are now worth to be leased if the same truly and bonafide leased and demised at rack rent regardless with the rent charges, reparations and taxes or parish duties and money laid out in improvement". (Art. 3).

The sentence of the act clearly shows that this form of taxation was almost the same as were those by the "Subsidy Act" which had been levied at times

²³) As for the administrative and political history of English Land tax, cf. W. R. Ward, op. cit. we are so much obliged for the courtesy of Dr. Ward to have permitted to take advantage of his unpublished Ph. D. thesis (Oxford), *A History of Land Tax administration in England*, by microfilm. During the Restoration period direct taxes were levied in 1663, 1665, 1671, 1672, 1677 and 1678, of which those of 1673 (15 Car. II cc. 9, 10) and of 1671 (22-3 Car. II c. 3) were taxed in pro rate system, the rest were by assessment. On taxes just after the Glorious Revolution, see Table 1. Before the act of 1692 the yearly charges of direct tax were as low as one-fourth of that in 1692.

under the Tudors and Early Stuarts.²⁴⁾ As for the personal estates, only the legal interest rate of the value was the standard of the taxable income in both cases, and the income over and above was remitted. In relation to the tax upon the land it was stipulated similarly that the yearly yields out of the land should be looked upon as the standard. Yet for the land, in this act a clear change in the meaning was brought about. In the article of the Tudor Subsidy Act merely "the yearlie valewe" was the object of the taxation, in place of the rent in the latter, whereon not only the income out of the manorial rights and lease but all the agricultural yields as well by the *freeholds* as by the *copyholds* and tenancies at will. So we can conclude that the income of the peasants in general was the principal source of the taxation²⁵⁾, whereas in the act of 1692 the copy-hold disappeared for the first time from the list of real estates²⁶⁾, and even the occupying landowner was charged for the estimated rent value if leased out. Thus, in spite of complicated land ownership it was supposed in the word of the law that a simple land ownership was to be established.

This act aimed at two points: firstly, to introduce a tax pro rata equal all over the country in place of an assessment which had inherited the quotation in the early stages of the Puritan Revolution, which fell far heavier rate upon the South and East than in the West and the North, and that with a different rate even among the neighbouring parishes, and secondly to charge the personal estates²⁷⁾ equal to the landed properties to appease the discontent of the landed gentlemen who had felt themselves alone charged so long. Yet from the beginning it was thought impossible by even those concerned in the legislation of this act to put the taxation of the movable goods into strict practice, and even the Members of Parliament looked on this tax as a mere land tax. It was chiefly due to the fetter laid on by the Parliament. The Parliament would grant the King this tax in no other way than as a temporary revenue for a year, though it was renewed every year, in face of the emergency of war, who, just as the case with the Tudor Subsidies, appointing by himself so many commissioners of this tax for each county or city ranging from fifteen to fifty, never permitting the government

²⁴⁾ e. g. 26 Hen. VIII c. 19 art. 3 (1534) 13 Eliz. c. 27 (1571) hereafter the sentences of acts will be quoted from *Statutes of the Realm*.

²⁵⁾ W. G. Hoskins, *Essays in Leicestershire History* 1950, pp. 129-130.

²⁶⁾ *An Act for a grant to their Majestyes of an Ayde of 12 pence in the pound*, which was in 1688 just after the Revolution put into practice only for one year but in actuality inherited old assessment system, bears almost the same letters as for the objects of tax, however, be careful to find the *copyhold* among them: "Manours, Messuages Land and Tenements as well as *Freehold as Copyhold* as also all the Quarries etc." (my italics).

²⁷⁾ Marquis of Halifax?, *op. cit.*, pp. 75, 89 Anon., *A Proposal for an equal Land Tax*, repr. in: *Harl. Miscellany*. ii pp. 506-512.

any efficacious bureaucracy of collection for this tax, and endowed all the powers of collection, assessment and punishments to them. They held their general meeting of each county or city, divided a Hundred or Ward with a group of several members. The commissioners appointed the most able inhabitants to assessor consulting with the High Constable or Petty Constable or city officials attending at the General Meeting, as to "the most able and sufficient inhabitants" of each parish or township to assess the estates of those in the parish. And the commissioners had the power to revise the assessment thus made or to settle the appeals: further, two collectors—usually the same persons as the assessors—collected at Quater-days every one-fourth of the yearly tax (Art. 5), for which the assessors were paid with the poundage of 3 d. and the clerks of the commission who used to be a local solicitor with 1 d. (Art. 8) In the big cities like London it was usual that the city machinery of administration played as that of this tax.

These unpaid commissioners were drawn chiefly out of landed gentry like the Justice of peace and exceptionally of men of profession like doctors and barristers in the country, and in the cities they were occupied by the mayors and councillors. Thus the local notables, loath of the intervention of the central administration, confined the taxation of the direct tax in such an inefficient framework of *amateur administration* that this tax was reduced to a mere land tax. The movable properties were enacted to be taxed in the residency of the owners, but it was hardly possible with such an machinery where the commissioners within or outside the county had no correspondence with one another to catch correctly such a property apart from his residency nor could a amateur administrator grasp the real value of the property even within one parish. In London it was said that a tenant of the house, who was supposed to be richer than his landlord, paid only one-seventh of the latter, and even Josiah Child whose wealth was believed to be beyond any one's imagination, was assessed to be worth £5000²⁸⁾. So from the first year the revenue was no more than £2 million although £3 million could have been raised if the moveable estates were duly assessed²⁹⁾, and there remained only the tax revenue from the land rent which was to be paid at first by the tenant who deducts the sum at the rent payment in his turn (Art. 10).

An attempt to introduce a tax of equal rate, too, could by no means go through under such a commission system which was clearly influenced by local and particular interest. So the actual burden of the tax went down in

²⁸⁾ Abraham Hill, *The Consideration of Taxes*. 1701 British Museum Sloan MSS. 2902 f. 43. Daniel Defoe, *An Essay upon Projects* 1697, p. 28.

²⁹⁾ Berichten F. Bonnets an den brandenburgischen Hof, repr. in :L. Ranke, *Englishe Geschichte* IX, S. 100.

the West and the North, distant from the Capital just on account of this change from the assessment to the pro rata tax. As Fig. 1 shows the yields of the pound rate tax of 1693 amounted to £ 1,922,000 against that of an assessment tax of 1691 (£ 1,613,000), that is to say, 116.4% of the latter. However, the Northern and Western counties contributed less than the national average increase while London and Westminster and eleven Home Counties showed a marked increase. Taking the share occupied by the Home Counties in the national tax revenue except that of London and its suburbs (Westminster, Middlesex and Surrey), they paid 56% of the revenues of the other counties in 1691, while this rose to 60% in 1693. Landlords in the West and North paid as their land taxes only 2 or 3 shillings a pound rent and in some places 1 shilling only, and the poor rates scarcely pressed them as the manufacturing industries flourished there, while in the East and South landowners were deprived of as much as 4 shillings besides the poor rate just to the purpose of the letter of the act³⁰⁾. In the face of such a circumstance

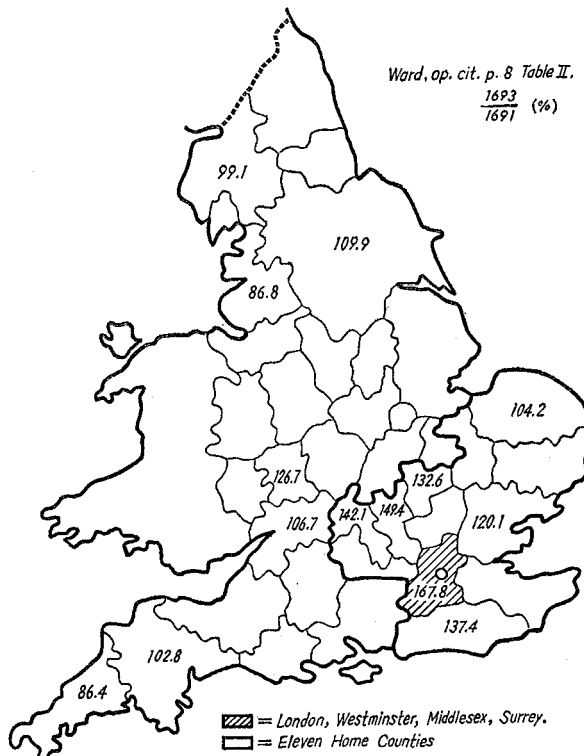


FIG. 1. Ratio of increase in the Land Tax Revenue.

³⁰⁾ Anon., The Case of the Salt Duty and Land Tax offered to the Consideration of every Freeholder, Lond. 1732, pp. 16-7, cf. Davenant, Ways and Means p. 87.

the government had no effective means to check the commissioners but had to persuade them with the personal influence of the ministers or the King³¹⁾.

Still, the yields of this tax declined gradually from the second year on, (Table 1), and the government was obliged to secure the minimum necessary of £ 2 million by means of a fixed quota for each county or city from 1698 on which was calculated on the achievement of 1693, so that the effort, to introduce a pro rata tax or to root out the inequality of the burden between the South-East and North-West, was now decisively abandoned³²⁾. The Commissioners now had nothing to do with this tax but to make of the deficiencies by remission or insolvency with an increased allotment to other tax-payers, and the land tax returns came to be solidified, and troubles relative to this tax were hardly appealed to Parliament as the distribution of the tax burden was entirely resolved among the landlords themselves. Now the land tax rate, a shilling a pound, nominally indicated a fixed revenue of £ 500,000. The landed gentlemen in the North and West counties were now confirmed with their privilege of a lower rate in this tax, and thereafter stood for the present system of land tax³³⁾.

TABLE I. LAND TAX REVENUE FOR EACH ACT

1689 [1 s]	501,022-13-4	1694 [4 s]	1,913,488-16- $4\frac{1}{2}$
1669 [3 s]	1,523,598- 3- $3\frac{1}{2}$	1695 [4 s]	1,860,039-10- 2
1661 [assessment]	1,613,747- 9- 1	1696 [4 s]	1,736,248- 1-10 $\frac{3}{4}$
1662 [assessment]	1,613,874-13- 5	1697 [4 s]	1,663,435-14-11
1663 [4 s]	1,922,712-19- $4\frac{1}{2}$		

A General Abstract of Public Revenues 1688-1702: Somers Tract Vol. XII, p. 382.

Now to what degree under the assessment system again was a landed gentleman charged? We must be content with fragments of data, and yet it is hardly possible to establish an accurate figure all over the country, still it seems to us almost certain that the landed class in the South and East paid about the same rate as the letters in the act. For instance, the Coke estates in Norfolk paid during three years, from 1708 to 1710, £ 2,730 out of the

³¹⁾ Ward, English Land Tax p. 31 f. In 1697 the government made a success in nominating the commissioners for the cities and counties (8-9 William and Mary c. 6 art. 12) but it lasted only one year.

³²⁾ William III, c. 9 art. 1.

³³⁾ For example it was due to the fear that the levy of tax would be made more strictly in those part of the country if the present land tax were to be once abolished and re-introduced that the M. P. from the West and North were quite against the scheme of Prime Minister Robert Walpole to rescind the land tax at all in place of the Excise Scheme. S. Dowell, History of Taxes and Taxation in England 1889, II, p. 100.

total rentals, £ 15,756 i. e. 17.3%,. The Bouverie Family, too, was deprived of 20% of their rent as a land tax in 1716³⁴). English landlords were continuously annoyed with a 20% land tax from the Glorious Revolution on for a quarter of a century, nearly without interval, although in a few years of peace the rate was reduced to 15 or 10%. It is natural this tax should have come to be a burning point of politics in the last years of Spanish Succession War which ended with a victory of the Tories supported by the landed gentry eager to suspend the war as early as possible³⁵).

Further this tax burden became so severe, it ruined many smaller gentlemen, who were provided with no source of income such as the estates in Ireland or offices, and had those absorbed in large estates, which was accelerated with a steadily stagnant price of wheat due to over-production during the former half of the eighteenth century. Thus a landlord who was willing to survive had to enforce the enclosure of his estate or improve his farm with an investment from outside in order to increase his total rent and lessen the land tax burden, although in the former half of the eighteenth century no effective change in the rent level was yet accomplished, owing to such an agricultural depression³⁶). It was not until the latter half of the century that a distinguished rise could be seen in the national rent revenue. In 1770 Arthur Young estimated the national rent revenue including that of houses as £ 21 million, twice as much as in the early eighteenth century, whereas the land tax was fixed to 2 million pounds, thus the real burden was reduced to a half³⁷).

³⁴) R. A. C. Parker, Direct Taxation on the Coke Estate in the 18th Century. *English Historical Review* Vol. LXXI (1956) pp. 247-248 G. E. Mingay, English Landed Society in the Eighteenth Century Lond. 1963 pp. 82-83 cf. J. H. Habakkuk, English Landownership 1680-1740. *Economic History Review*, Vol. X, (1940), p. 9.

³⁵) As for the legal rate of land tax, see fig. 2. Cf. my article (in Japanese) "Igirisu Meiyo Kakumeiki ni okeru Naikoku Shōhizei no Igi—Jūshōshugi teki Sozei Taikei no Seiritsu o megutte." (The significance of the Home Excises in the Glorious Revolution—A Contribution to the History of the tax system of English Mercantilism) *Tochiseido Shigaku (Journal of Agrarian History)* No. 13, 1961. The landed class, especially the smaller gentries who hurried to the Tory Party, were so indignant of the virtual immunity of interest, to say nothing of the open remission to the dividend of joint stock or the interest of public debts, often trying to revise such an inequality. e. g. [James Drake], op. cit. In the session for the land tax for the year 1701 the Committee for Ways and Means inserted a clause to raise the tax rate on the salaries and interest to 25% as well as to introduce a new tax of 5% on stock jobbery (Commons Journal XIII, p. 741), but this was not realized in the act. As it is clear from this failure, N. B., the Parliament made no effort to secure a tax upon the movable estates although it was quite impossible to tax them with present act.

³⁶) Mingay, op. cit., p. 178 E. J. Jones, Agriculture and Economic Growth 1660-1750: An Agricultural Change *Journal of Economic History* Vol. XXV (1965) p. 8.

³⁷) Phyllis Deane, The Implications of Early National Income Estimate for the Measurement of Long Term Economic Growth in the United Kingdom. *Economic Development and Cultural Change* Vol. IV, (1955-6), p. 22.

In the end how far can we admit the theory of Locke to be realized in the actual tax system? It is true that the land tax provided the government with about 40% of tax revenue until early 18th century, still the customs duty or excise occupied no less considerable places (Fig. 2). However articles charged with heavy customs duties consisted of luxuries like wines and tobacco and was chiefly paid out of the pockets of the upper classes, for which, as we have pointed out, Locke had no objection. As for the excises the items were limited to some goods with which the evil effects Locke feared was reduced to a minimum as we inquired in another article³⁸⁾.

Thus in 1688 English land rent amounting to £ 10,500,000 together with that of houses of £ 2,500,000, which occupied 26.7% in the national income,

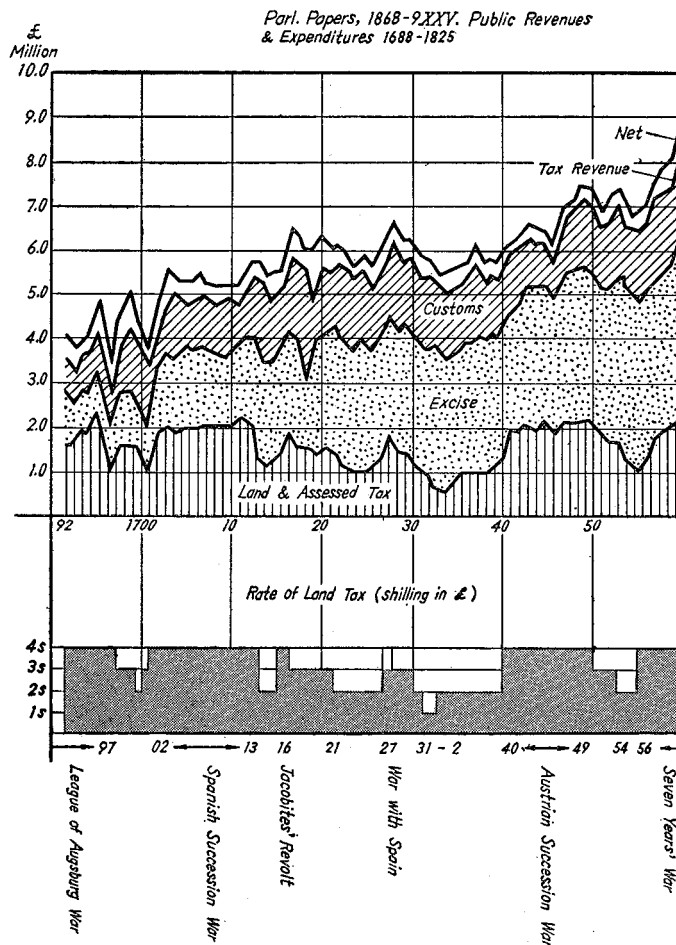


FIG. 2. Tax Revenue and Tate of Land Tax.

³⁸⁾ my Article above.

bore almost 40% tax burden, whereas the revenue by profit and interest, about £ 17,300,000, paid nothing but some part of indirect taxes³⁹⁾.

Locke is rightly said to have offered an ideal of the tax policy in the age of the Glorious Revolution by the way of his single tax on land rent, which was to be regarded as being put into practice in the fundamental line of the taxation.

IV. CONCLUSION

Now we have made clear that this land tax chiefly supplied England for war and with such a revenue to cope with for a quarter of a century after 1688, enabled her to charge her own nation with excises on the necessities of life as little as possible, whereupon the landed class was levied far heavier than any other. It was nowhere but here possible in England after the Glorious Revolution, whose agriculture had already arrived to the stage of the three division system to secure such a tax upon rent. Yet how could it have been rational to charge the land rent alone so heavily in England where nobody's eyes missed so flourishing a source of income as industry and commerce which took no less an important position in English national income then? Thus Locke took the responsibility to persuade the landlords, who upon this account did not start with the social thought or with a theory of grounds of taxation, but rather cutting off such a way, explained it utterly through an economic theory. Yet Locke himself could not endow

³⁹⁾ This figure derives out of: Phyllis Deane, op. cit., p. 8 (which was re-constructed of: G. King, *Natural and Political Observations* 1695). According King, the incomes of the landlords reached in total £ 5,660,000, and the part of income aquired by occupying landowner calculated as rent amounted to £ 3,590,000, and profits of farmers to £ 6,600,000. However if we use the figure of English income out of agriculture, forestry and fishery sector £ 19,300,000 (P. Deane and W. A. Cole, *British Economic Growth 1688-1959*, Cambridge 1962, p. 156) the part forming the land rent will come to be £ 10,500,000 and farmers' profit to be £ 6,600,000 (King, *A Scheme of Incomes and Expences*) thus the rest £ 2,200,000 would be the wages. A. Young calculated for the agriculture materials and depreciations of tools as 26.5% of total gross products thus the land tax of £ 2 millions and poor rate of £ 660,000 occupied about 10% of gross agricultural income. It is not obvious how far was the landed class charged with excises and customs duties, but according to J. Massie, *Calculations of the present Taxes yearly paid by a family of each rank degree or class* 2nd ed. Lond. 1762, a landlord having a yearly revenue of land rent of £ 20,000 paid besides the land tax of £ 4,000, £ 628 in excise and £ 1,750 in customs duties.

It is too difficult a question to be established whether the land tax was born by the landlord or in reality shifted to the farmers by way of a rent raised in tantamount. Yet we should establish the possibility of the shift in relation to the profits gained by the farmers and the rent level whoever may be the tax payer in the letter of the covenants contracted between the landlord and the farmer. Anyhow the large farmers with an good deal of capital to invest seem to be in bargaining position to the landlords who were incapable, therefore, of shifting such a land tax to such rich farmers. See, G. E. Mingay, *Size of Farms in the 18th Century*. Eco. H. R. 2nd Ser. Vol. XIV, (1962), p. 474.

the agriculture alone with the honour of a productive labour different from the case with Quesnay and his theory of a single tax upon land occupied no suitable place in the system of natural law or political economy but was obliged to rely on the model of shifting and incidence of taxes evidently inconsequential. So after the Peace of Utrecht in 1713, English public finance did not need a heavy land tax any more and its share in the government revenue declined so much that even the theoreticians of English mercantilism did not redeem his theory highly⁴⁰⁾.

Still, this theory remained to be a breakwater against the overcharging of excises, and in such a circumstance as the propaganda against Walpole's "Excise Scheme" in 1733, Locke's theory was used as a maxim in their pamphlets⁴¹⁾; in the dissolving stage of English mercantilism his theory came to be revived again as a theoretical bridge to clear off the expanded indirect taxes and to establish a new tax system chiefly of income tax and other direct ones. One who reads book V of the "Wealth of Nation" by Adam Smith would be very surprised to find the tax system that Smith recommended as the most suitable like a tax upon land rent and luxury goods—so similar with those by Locke. Here we observe rightly the influence of Mathew Decker—perhaps one may add Postlethwayt, too—who based himself on Locke.⁴²⁾

On the other hand his theory of taxation was inherited beyond the Canal in France. In 1719 John Law, a Scotchman by birth, had already proposed a reform of the tax system as indispensable part of his plan to

⁴⁰⁾ e. g. [Robert Walpole], *Some General Considerations concerning the Alteration and Improvement of Public Revenues*. Lond 1733. On the contrary, Locke had been quoted merely to prove the impossibility to remove the land tax entirely (e. g. William Wood, *A Survey of Trade*. Lond. 1718, pp. 78-62) or remained to be praised at most by the radical minority opponents to the present mercantile policies (Jacob Vanderlint, *Money answers all things etc.* 1734 in: *Hollander's Reprint* pp. 106-107, Anon., *Some thoughts on the Interest of Money in General* (1738 ?), pp. 93-95 [Weyman Lee], *An Essay...on Leases and Annuities* (1737), p. 109) cf. Prof. N. Kobayashi, *Shoki Rishironshi-Rodokachironshi jō no Ichibunken* (A Literature in the Early History of theory of Interest and Labour Value) in: his "Genshi chikusekiki no Keizai sho-Riron" (The Economic Theories in the Stage of Original Accumulation) Tokyo, 1966. After 1740's some economists such as John Smith, David Hume, James Steuart, and Arthur Young showed no hesitation to make a criticism on Locke's theory of taxation.

⁴¹⁾ [William Pultney], *The Cases of Salt Duty fully stated and considered*. Lond. 1732, [Nicholas Amhurst], *An Argument against Excise*. Lond. 1733 Anon., *The Case of Salt Duty and Land tax etc.*

⁴²⁾ A. Smith, *The Wealth of Nations* ed. by E. Cannan II, pp. 312 f. 370 f. As for the significance of the "Excise Scheme" in the Walpole regime and the rise of Smith's theory of taxation, we have here no room to stay at length and expect another opportunity. At least see, Mathew Decker, *An Essay on the Causes of Decline of Foreign Trade* 1753 repr. in: *A Collection of Scarce and Valuable Tracts on Commerce* ed. by J. R. MacCulloch 1859, pp. 175, 185. Malachay Postlethwayt, *The Universal Dictionary of Trade and Commerce* 1st ed. 1751 II, p. 2. do., *Great Britain's True System* 1757, pp. 130-134.

to recover the public finance of the French ancien régime⁴³). His scheme of *un seule droit sur les bien-fonds* was then so radical and was never seen by his counterparts of contemporary French reformists like Boiguillebert or Maréchal Vauban⁴⁴). It is likely that Law thereby thought of the land tax which was in practice in England, yet this English system had no actual ground to be imported in France where the hindrance of the old seigneurage made the new capitalistic farming appear so slow, nor could the ancien régime itself permit such a plan which would result in the entire dissipation of the privileged position of the ruling classes in the absolute monarchy. It was thus in the latter half of 18th century that the physiocratic school brought the theory of *l'impôt unique* to perfection helped by the development of the French agricultural capitalism, and in this case, too, we can perceive a strong influence of Locke and the English land tax, direct or indirect⁴⁵). Further it

⁴³) John Law, *Mémoire sur le Dénier royale* (juin 1719) repr. in: *Œuvres complètes* éd. Paul Harsin. Paris 1934 t. III, pp. 38-62. F. K. Mann, a. a. O. SS. 178-182 cf. H. Akabane, John Law ni okeru zaisei seisaku no henten-France zettai ôsei no kikikaihi no hokô- (Vicissitudes of the financial politics in the System of John Law—A direction to evade the financial catastroph adopted by French Absolute Monarchy—) *Kinyû Keizai*, No. 72, 1962, pp. 11-12.

⁴⁴) Law indicated as the standard of the tax on the real estates (bien-fonds) such as *terres, maisons, parcs, enclos, prés, bois, vignes, marais, passages, étangs, rivières, moulins, forges, fourneaux et autres usines, cens, rentes, dîmes, champarts, droits seigneuriaux, péages, droits de ponts, canaux, bacs et bien-fonds quelques nature qu'ils soient, tenus à rente, affermés ou non affermés*—not only the price, *value en fond*, but also revenues out of these items, *revenue de leur biens* (do., *Projet d'un édit*, *ibid.* p. 68). Thus the object of this single land tax would have been the revenues out of agriculture in general, even if tried in France where the seigneurial rights and severe métayage system stubbornly survived dominant at that time, in other words it never fell only on the land rent, including the seigneurial rights, or the part of the agricultural revenue corresponding to the rent of a occupying land owner. The idea of single land tax itself thus came to be transformed in the face of French ancien régime. Law persuaded the landowners that the burden of this single tax would be compensated enough with a rise in the price of land, *prix de ferme*, if all the excises were to abolished thereby and the markets for the agricultural products to be enlarged. But in the other places he concluded that the burden on the land, *terre*, which he thought to be the source of all the riches, *source générale*, could be dissipated on the other classes included in the price of foods and raw materials. In this point we can observe a clear divergence of Law from Locke. (*Mémoire*, pp. 60-61).

⁴⁵) F. Quesnay, *Fermier*, repr. in: *François Quesnay et Physiocratie* II, p. 455. S. Bauer, *Zur Entstehung der Physiokratie auf Grund ungedrückter Schriften. Jahrbücher für Nationalökonomie und Statistik* N. F. XXI, (1890). SS. 144-5, Dupont de Nemour as the editor of *Physiocratie*, which published Quesnay's *Second Problème économique*, expressed in the preface as follows: "La question qui fait l'objet du problème suivant, dans lequel il s'agit de trouver le différence des effets de l'impôt indirect avec ceux de l'impôt direct, est une question vraiment interessante pour le bonneur des nations, et qui occupe actuellement un grand nombre de savants en Angleterre où elle a été élevée au sujet de la réduction de la taxe sur les terres et de l'augmentation des droits d'excise etc." (Italics added). This indicates the struggles in the excise scheme of 1733. *Œuvres économiques et philophiques de François Quesnay* ed. par Auguste Oncken. Fracfort s. M. 1888, p. 699.

was this idea of physiocracy who furnished the French Revolution with the idea of a financial revolution, although the actual system of taxes retired so much from *impôt unique*⁴⁶⁾.

Thus the idea of single tax was the most radical one of the financial revolution in the classical bourgeois revolution both in England and in France, reflecting the interest of industrial capitalism in the early stage⁴⁷⁾.

⁴⁶⁾ Mirabeau had already proposed in his *Théorie de l'impôt* 1760, pp. 275-6 to levy two thirds of the taxes upon the *fonds stérile*, which would have been the anticipation of the plan put into practice in the course of French Revolution. There in the first budget of the Revolutionary government in 1791 a half of the total tax revenues was charged on the *Contribution foncière*. A land tax which was distributed to each department, the rest was charged on the movables, such as the droit de patente, contribution mobilière et personnelle. cf. M. Marion, *Histoire financière de la France depuis 1715*, II, Paris 1919, p. 179. Tsuneo Mori, 'France Shihonshugi to Sozei' (French Capitalism and her Tax system) Tokyo 1967, chap. I § 2.

⁴⁷⁾ In the March Revolution in 1848, in Germany, the bourgeoisie was not strong enough to press such a single tax to the landed class, and the capacity of the industrialist were so conspicuous in the course of the industrial revolution as well. Thus there the burning point in the reform of tax systems was as well the abolishment of the flour and flesh excise (Mahl-und Schlachtsteuer) as the introduction of an income tax. Cf. Susumu Satō, 'Kindai Zeisei no seiritsu katei' (Rise of modern taxation) Tokyo 1965, pt. II, chap. 3.