

Question 5 Adam Smith's comments

Knowledge is Freedom

Ken, I thought I would send you this email, in case you also are sent the original message, like the one you just sent me, from eagle flight. You will see a quote below from Burke, I thought I would add a few more quotes that were not in the original message, from Burke. I can make you a copy of Burke's speech if you are interested. It is 87 pages in total, there are many more pearls contained in his speech. I am in the process of typing in several pages of quotes. The setting for his speech was just before the 1776 war, he was arguing against the use of force. The majority of the House of Commons wanted to beat the colonies into submission.

I just tonight obtained a copy of the complete work of Adam Smith, Al and I each have different books, containing portions of his complete work. His complete work is 800 pages, we can hook up on the modem and I could send it to you. As you will see below from the additional quotes, if you are not yet convinced of what I have been saying on this subject, you will be. Also, if you have ever wondered where the American taxing system came from, there will be no doubt after you read the below quotes from Adam Smith. The below quotes are only a portion of what I marked in skimming his book tonight. He obviously goes into more detail, in his 800-page book.

"But my idea of it is this; that an empire is the aggregate of many states under one common head, whether this head be a monarch or a presiding republic." Speech of Sir Edmund Burke, before the House of Commons, March 22, 1775

What was it Franklin said, when asked what government have you given us, in reply he said a Republic. Our forefathers were protecting their assets and seeking to remain subject to the king in a hidden way. For which they were to receive further privileges. I would love to be able to look into the old English records and see if their personal land holdings in England increased, after the 1783 Peace Treaty and the 1787 Constitution/Charter were approved, by an unsuspecting public.

"Men may lose little in property by the act which takes away all their freedom. When a man is robbed of a trifle on the highway, it is not the two-pence lost that constitutes the capital outrage. Speech of Sir Edmund Burke, before the House of Commons, March 22, 1775

"The people heard, indeed, from the beginning of these disputes, one thing continually dinned in their ears, that reason and justice demanded that the Americans, who paid no taxes, should be compelled to contribute." Speech of Sir Edmund Burke, before the House of Commons, March 22, 1775

"Let us get an American revenue as we have got an American empire. English privileges have made it all that it is; English privileges alone will make it all it can be." Speech of Sir Edmund Burke, before the House of Commons, March 22, 1775

"Their wealth was considered as our wealth. Whatever money was sent out to them, it was said, came all back to us by the balance of trade, and we could never become a farthing the poorer by any expense which we could lay out upon them. They were our own in every respect, and it was an expense laid out upon the improvement of our own property and for the profitable employment of our own people." 1776, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS by Adam Smith

Need I say more, I have been ridiculed by some for what I have said, in respect to our continued subjection to England, and I am sure Al has to. The above quote is further evidence that the king did not relinquish his contract/Charters and land grants/patents to the United States. Instead he preserved his ability to receive gain through his taxes for his investment.

The below quotes will make you realize that the present tax system was put in place by the king and is completely British, and the way they chose to continue to receive the king's profit from his investment, as declared in his Charters. The federal reserve was also placed here by the Crown, which is proven in the Congressional Record, included in this message and what was included in the Banking paper I did. It is so clear I could even prove it to the average American, given the time, money and opportunity to present it.

"Before I enter upon the examination of particular taxes, it is necessary to premise the four following maxims with regard to taxes in general.

I. The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. The expense of government to the individuals of a great nation is like the expense of management to the joint tenants of a great estate, who are all obliged to contribute in proportion to their respective interests in the estate. In the observation or neglect of this maxim consists what is called the equality or inequality of taxation. Every tax, it must be observed once for all, which falls finally upon one only of the three sorts of revenue above mentioned, is necessarily unequal in so far as it does not affect the other two. In the following examination of different taxes I shall seldom take much further notice of this sort of inequality, but shall, in most cases, confine my observations to that inequality which is occasioned by a particular tax falling unequally even upon that particular sort of private revenue which is affected by it.

II. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person. Where it is otherwise, every person subject to the tax is put more or less in the power of the tax-gathered, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of such aggravation, some present or perquisite to himself. The uncertainty of taxation encourages the insolence and favours the corruption of an order of men who are naturally unpopular, even where they are neither insolent nor corrupt. The certainty of what each individual ought to pay is, in taxation, a matter of so great importance that a very considerable degree of inequality, it appears, I believe, from the experience of all nations, is not near so great an evil as a very small degree of uncertainty.

III. Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it. A tax upon the rent of land or of houses, payable at the same term at which such rents are usually paid, is levied at the time when it is most likely to be convenient for the contributor to pay; or, when he is most likely to have wherewithal to pay. Taxes upon such consumable goods as are articles of luxury are all finally paid by the consumer, and generally in a manner that is very convenient for him. He pays them by little and little, as he has occasion to buy the goods. As he is at liberty, too, either to buy, or not to buy, as he pleases, it must be his own fault if he ever suffers any considerable inconveniency from such taxes.

IV. Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treasury, in the four following ways. First, the levying of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people. Secondly, it may obstruct the industry the people, and discourage them from applying to certain branches of business which might give maintenance and unemployment to great multitudes. While it obliges the people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so. Thirdly, by the forfeitures and other penalties which those unfortunate individuals incur who attempt unsuccessfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to smuggling. But the penalties of smuggling must rise in proportion to the temptation. The law, contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and it commonly enhances the punishment, too, in proportion to the very circumstance which ought certainly to alleviate it, the temptation to

commit the crime. Fourthly, by subjecting the people to the frequent visits and the odious examination of the tax-gatherers, it may expose them to much unnecessary trouble, vexation, and oppression; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it. It is in some one or other of these four different ways that taxes are frequently so much more burdensome to the people than they are beneficial to the sovereign." 1776, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS by Adam Smith

"It is not contrary to justice that both Ireland and America should contribute towards the discharge of the public debt of Great Britain. That debt has been contracted in support of the government established by the Revolution, a government to which the Protestants of Ireland owe, not only the whole authority which they at present enjoy in their own country, but every security which they possess for their liberty, their property, and their religion; a government to which several of the colonies of America owe their present charters, and consequently their present constitution, and to which all the colonies of America owe the liberty, security, and property which they have ever since enjoyed. That public debt has been contracted in the defence, not of Great Britain alone, but of all the different provinces of the empire; the immense debt contracted in the late war in particular, and a great part of that contracted in the war before, were both properly contracted in defence of America." 1776, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS by Adam Smith

"The expense of the peace establishment of the colonies was, before the commencement of the present disturbances, very considerable, and is an expense which may, and if no revenue can be drawn from them ought certainly to be saved altogether. This constant expense in time of peace, though very great, is insignificant in comparison with what the defence of the colonies has cost us in time of war. The last war, which was undertaken altogether on account of the colonies, cost Great Britain, it has already been observed, upwards of ninety millions. The Spanish war of 1739 was principally undertaken on their account, in which, and in the French war that was the consequence of it, Great Britain spent upwards of forty millions, a great part of which ought justly to be charged to the colonies. In those two wars the colonies cost Great Britain much more than double the sum which the national debt amounted to before the commencement of the first of them. Had it not been for those wars that debt might, and probably would by this time, have been completely paid; and had it not been for the colonies, the former of those wars might not, and the latter certainly would not have been undertaken. It was because the colonies were supposed to be provinces of the British empire that this expense was laid out upon them. But countries which contribute neither revenue nor military force towards the support of the empire cannot be considered as provinces. They may perhaps be considered as appendages, as a sort of splendid and showy equipage of the empire. But if the empire can no longer support the expense of keeping up this equipage, it ought certainly to lay it down; and if it cannot raise its revenue in proportion to its expense, it ought, at least, to accommodate its expense to its revenue. If the colonies, notwithstanding their refusal to submit to British taxes, are still to be considered as provinces of the British empire, their defence in some future war may cost Great Britain as great an expense as it ever has done in any former war. The rulers of Great Britain have, for more than a century past, amused the people with the imagination that they possessed a great empire on the west side of the Atlantic. This empire, however, has hitherto existed in imagination only. It has hitherto been, not an empire, but the project of an empire; not a gold mine, but the project of a gold mine; a project which has cost, which continues to cost, and which, if pursued in the same way as it has been hitherto, is likely to cost, immense expense, without being likely to bring any profit; for the effects of the monopoly of the colony trade, it has been shown, are, to the great body of the people, mere loss instead of profit." 1776, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS by Adam Smith