

INDIRECT TAXATION VIEWED FROM AN ETHICAL STANDPOINT.

The problem of Indirect Taxation may be viewed either from a political, from an economical or from an ethical standpoint. It really has an ethical or moral aspect, although from this standpoint it has not, until quite recently, been considered. The time, however, has come when many politicians and economists are beginning to realize that a system of taxation must not be adhered to simply on the ground that it is convenient—that it can be carried out in practice without much trouble, that by it the largest revenue can be procured with the least possible discontent on the part of the persons taxed. The important question now is, or ought to be, Is such a mode of taxation just, as well as convenient? The vindication of any system, in any other light, is inadequate. Can Indirect Taxation be vindicated on the ground that it is a perfectly legitimate mode of raising a revenue? It would certainly imply much rashness to make the sweeping assertion that it is either just or unjust in every particular; but, to any thoughtful person, there are many phases of Indirect Taxation that savor more of injustice than justice. These it is my purpose to consider in this essay.

Probably there is no claim put forward more frequently in favor of this mode of raising a revenue than that it is not felt keenly by the tax-payer; and, consequently, not followed by as much discontent as direct methods are. Let us consider this plea. Why does the tax-payer, who contributes, in this indirect way, a due share to his country's revenue, not feel it and consequently manifest discontent? No one, not even the strongest advocates of Indirect Taxation, can say that it is because he is

convinced of his moral obligations in respect to his action. The only reason that can be fairly advanced is, that the person taxed is kept in ignorance of the fact that he is, in any way, contributing to the public revenue. From a purely economical point of view, this may be quite satisfactory; but, to the moralist, it is certainly a violation of the principles of right. The transaction is one in which the success of the government is measured by the success of its deception. The government, we admit, may have a perfect right to exact the tax; while the individual, on the other hand, may be under a solemn obligation to pay it. So the wrong is not, of necessity, either in the receiving or the giving; it is rather in the method of exacting—in the deception.

A man may owe me a sum of money, which I have a right to collect. If he does not pay when he should, it is my duty to convince him of his obligations in the matter by an appeal to his moral consciousness. If, even then, he fails to comply, it is perfectly right to compel him; but, under no consideration, am I justified in obtaining my deserts in any indirect way for the sake of peace or the avoidance of discontent. So, in like manner, the government, that is entitled to a certain annual sum from those who claim its protection, can never be justified in raising that amount in a way calculated to deceive. Its duty is rather to make its claims frankly and candidly; to use every legitimate means to convince the subject of his obligations; and, if that fail, to compel him as the creditor does the negligent or dishonest debtor. From a calm consideration of these facts, we are forced, once for all, to abandon our defence of Indirect Tax-