

the most extreme form of protective duties to the admission of everything free except those articles which we cannot produce ourselves. Nearly all the industries of the country have at various times been affected by tariff laws, sometimes in the manner which was hoped for and expected, and sometimes not, but there are so many other factors always acting which influence trade, that it is never easy to say what part of the ultimate result was due to any given tax.

At present no attempt is made to aid trade by any tariff arrangement. No particular industry is helped by a tax on imported foreign manufactures, and only those foreign substances are taxed which cannot be produced at home. The central principle of the present system has been to admit both all competing manufactures and all necessary food free, but it is now no longer possible to apply it. Duties are therefore placed on necessary food as well as on alcoholic drinks and tobacco.

The method of levying imperial taxation at present can be classified as :

- (1) Taxes on necessary food of universal consumption ;
- (2) Taxes on a few luxuries of great but not universal consumption ; and
- (3) Taxes on property exacted not in mathematical proportion, but increasing according to its extent.

Under the first principle sugar and tea are taxed, and yield in round figures 8 per cent. ; under the second, alcoholic drinks and tobacco yield 32 per cent. ; and under the third, direct taxation yields 32 per cent. of the total revenue. The remainder is derived from the profits of State trading and from various miscellaneous licences and stamps.

The rich pay every kind of tax, but the poor only contribute to those imposed on necessities, alcohol, and tobacco, and in this way some rough approximation is made of the burden to the strength of the individual. Formerly the indirect taxes were spread over a great number of commodities, but Mr. Gladstone concentrated them on a few. In