

## SOME PRINCIPLES OF IMPERIAL TAXATION

### I

**A**FTER the announcement of the Budget and the meeting of the Imperial Conference the time is singularly opportune for examining the whole question of Imperial Taxation, more especially in the light of the numerous facts, theories and arguments which have been advanced during the last few years, and to see whether it is possible to deduce any definite principles which would be compatible with sound economic laws and also satisfy public opinion.

The first point that stands out clearly is that no attempt has ever been made to ensure that each person should pay his share to the revenue in mathematical proportion to his means. On the contrary, it has always been arranged that the burden of direct taxation should fall most heavily on the shoulders of those best able to bear it, and that the highest duties should be levied on those substances which were not necessities. Although no one can doubt the wisdom and justice of this method, it is open to some serious objections as at present applied, and these will appear as we analyse in detail the usual methods of framing Budgets.

Taxes have also been imposed or removed in the past with the direct idea of aiding either individual industries or the trade of the country as a whole. The system has varied from