

attributing it to the ignorance and folly which his hasty estimate of democratic communities leads him to suppose must be their predominant characters.

If these colonial communities have a reason for their creed, as doubtless they have, it should be worth while to examine it. Let us, at all events, do them the justice of looking at the question from their own point of view. Now, in order that we may be in a position to do so, we must reconsider a doctrine which has hitherto been held to be one of the best established in the whole range of political economy. We refer to the doctrine usually held with regard to taxes on commodities. Political Economists of the English school express themselves confidently to the effect that, under all circumstances, taxes on commodities ultimately fall on the consumers. They allege that the producer, or the importer, as the case may be, pays the tax in the first instance, and passes it on to the dealer; that the dealer again passes it on to the consumer; and that the latter, as he cannot again pass it on, inevitably bears the burden of it. We hope to be able to show, before we have done, that taxes on commodities are sometimes interecepted before they reach the consumer; that when they do reach the consumer, they are not always paid by him, that in fact, he sometimes passes them on; and that even when they are paid by the consumer he may only suffer a temporary loss for a permanent gain. At the same time we wish it to be distinctly understood that we do not controvert the generally received doctrine on this subject further than we have now indicated. We merely desire to point out certain conditions which seem to us to limit its universal application.

Generally speaking, when the price obtained for any commodity is not the highest which consumers are willing to pay for it, any tax imposed on that commodity will fall on the consumers; but when the conditions are reversed, and the price obtained is already as high as consumers are willing to pay, the tax will fall on the producers. It may be maintained, however, that even when the price obtained for a commodity is not the highest the consumer is willing to give, any tax imposed on such commodity may still fall on the producers. This is a result that often follows when it is an object of special importance to producers to secure a foreign market for the disposal of their surplus stock. It may be a matter of convenience to them to be able to employ their hands and machinery, during certain periods of the year when the home demand is dull, in manufacturing expressly for the foreign market; and rather than not have this outlet for their goods, or constant employment for their labor and capital, they may often be content to forego part of their usual profit, or what might be equivalent to the amount of duty their goods might have to pay in entering a foreign port. In ordinary commercial transactions it is found that people usually take all they can get for their goods, and often a great deal more than is either reasonable or just.

Again, when the tax is of small amount, and when there is consequently a difficulty in apportioning it to consumers, it may fall on the producers or intermediate agent. Some time ago the Italian government imposed a multure tax, which, it was supposed, would have the effect of increasing the price of bread. No such effect followed, however. The only effect of