on the raw produce raised at home than on manufactured goods, justice requires that a duty should be laid on all fo­reign raw produce, to countervail the excess of duty affect­ing home produce. Such a duty, by fitting all classes equal­ly to withstand foreign competition, will preserve them in the same relative situation after the opening of the ports as previously, and will treat all parties, as they should ever be treated, with equal and impartial justice.

To whatever extent a countervailing duty may be laid on a foreign commodity, it would be proper to give the home producers of that commodity an equal, or nearly equal, drawback. If the home producers were refused such a drawback, they might say, “ Before your duty, and before the price of our produce was raised in consequence of it, we could compete with the foreign grower in foreign mar­kets. By making the remunerating price of our corn high­er, you have deprived us of that advantage ; therefore give us a drawback equal to the duty, and you, in every respect, restore us to the position in which we were before placed, both as it regards our own countrymen, as producers of other commodities less heavily taxed, and foreign growers of raw produce.” On every principle of justice, says Mr Ricardo, and consistently with the best interests of the country, this demand should be acceded to. *( On Protection to Agri­culture,* p. 16.)

Mr Ricardo supposed that the influence of the tithes and other taxes exclusively affecting raw produce, over those affecting manufactured goods, might be estimated at about ten shillings a quarter ; and he therefore proposed that fo­reign corn should be freely admitted on paying this duty, and that a drawback of seven shillings should be allowed on exportation. “ The duty of ten shillings a quarter is, I am sure, rather too high as a countervailing duty for the peculiar taxes which are imposed on the corn-grower, over and above those which are imposed on the other classes of producers in the country ; but I would rather err on the side of a liberal allowance than of a scanty one ; and it is for this reason that I do not propose to allow a drawback quite equal to the duty.” (Ibid. p. 80.)

The necessity of imposing this countervailing duty, ori­ginating, as it mainly does, in the imposition of tithes, is another and a very powerful argument for their commuta­tion. We incline to think, that the countervailing duty on foreign produce might now be safely fixed at six shillings or seven shillings a quarter for wheat, and other grain in proportion. The drawback might, perhaps, be one shilling a quarter less than the duty ; but there is really no good reason why it should not be equal.

Taxes on raw produce, by raising the price of the articles required for the food of the labourer, necessarily raise wages and tend to lower profits. Such taxes, therefore, fall with double weight on the capitalists ; affecting them both as employers of labour, and as consumers. Indeed the prin­cipal disadvantage of taxes on raw produce consists in their tendency to lower profits. “ With a permanently high price of corn,” says Mr Ricardo, " proportional wages would be high ; and as commodities would not rise on account of the rise of wages, profits would necessarily fall. If goods worth L.1000, require at one time labour which cost L.800, and at another time the price of the same quantity of la­bour is raised to L.900, profits will fall from L.200 to L.100. They will fall not in one trade only, but in all. High wages equally affect the profits of the farmer, the manufacturer, and the merchant ; nor is there any other way of keeping profits up than by keeping wages down. In this view of the law of profits, it is at once seen how important it is that so essential a necessary as corn, which so powerfully affects wages, should be sold at a low price ; and how injurious it must be to the community generally, that, by prohibitions against importation, we should be driven to the cultivation of our poorer lands to feed our increasing population.”

4. *Custom-Duties, or Duties on the Importation and Exportation of commodities.*—These, like all other duties, are paid by the consumers of the commodities on which they are laid. When a government lays a duty on the fo­reign commodities which enter its ports, the duty falls en­tirely on its own subjects who purchase such commodities ; for the foreigners would cease supplying their markets with them if they did not get the full price of the commodities exclusive of the tax ; and, for the same reason, when a go­vernment lays a duty on the commodities which its subjects are about to export, the duty does not fall on them, but on the foreigners by whom they are bought. If, therefore, it were possible for a country to raise a sufficient revenue by laying duties on exported commodities, such revenue would be wholly derived from others, and it would itself be en­tirely relieved from the burden of taxation. No doubt, however, were one state to attempt to raise a revenue in this way, others would speedily do the same ; and as the imports from abroad are always equal to the exports, and generally, indeed, exceed them, what a country gained on the one hand by a policy of this sort, would be necessarily lost on the other. It is further necessary, in imposing du­ties on exported commodities, to beware of laying them on such as may be produced at nearly the same cost by fo­reigners ; for, under such circumstances, the duties would put an entire stop to their exportation, and make the market be supplied by others. It is only when a country possesses an exclusive advantage, whether natural or acquired, in the production of commodities, that a duty on their expor­tation is quite unexceptionable. Such duty does not fall on its native, but on its foreign customers ; and when it is not carried so high as to balance the superior facilities of production, it has but a slight tendency to diminish the demand for the taxed articles. If the Chinese chose to act on this principle, they might derive a considerable revenue from a duty on exported teas, which would have to be entirely paid by the English and other foreigners who buy them. And there is perhaps no country which does not possess some commodity demanded by foreigners that might be charged with a moderate duty on exportation. The coal and tin, and perhaps also some species of the manufactured goods of Great Britain, may be in this pre­dicament.

It was the great object of the professors of the mer­cantile system of political economy to facilitate the expor­tation of commodities of domestic growth, and to fetter and restrict the importation of those produced abroad ; and it is to the prevalence of this system in modern Europe, and its influence on financial legislation, that the almost total exemption of exported commodities from duties, and the ruinous extent to which they have been heaped on those that are imported, are in a great measure to be ascribed.

There is, however, no reason to think, from what has been stated above, and from the competition that now pre­vails among different countries in all departments of indus­try, that duties on exports can· ever be made productive of any considerable amount of revenue. Hence it is satis­factory to know, that moderate duties on imports are at once among the most productive and the least objectionable of all taxes. They are collected with the greatest possible facility, involving no inquiry into the circumstances of in­dividuals, as is the case with taxes on income or property; nor any interference of any sort with the processes carried on in the arts, as is the case with certain excise duties. By allowing imported goods to be lodged in bonded warehouses, under the joint locks of the king and the importer, the re­venue is protected without its being necessary for the im­porter to pay the duties till the goods be withdrawn for consumption ; so that, as already stated, but little additional capital is required by the importing merchant, and little