The limits within which this article must be confined will not allow us to inquire at greater length into the inci­dence of taxes on commodities. We shall therefore proceed briefly to investigate their capacity to produce a revenue.

Sect. III.—*Circumstances which determine the extent to which Taxes should be laid on Commodities—Causes of Smuggling—Means by which it may be prevented.*

The capacity of a tax on a commodity to raise a revenue depends, *first,* on the nature and extent of the demand for

the commodity ; and, *second,* on the facility with which it may be prevented from being smuggled. Every tax, by raising the price of the commodity on which it is laid, has a tendency to bring it within the command of a smaller number of purchasers, and to lessen its consumption. An individual who might be able and disposed to pay a duty of 1s. a bottle on wine, might neither have the means nor the inclination to pay 2s. or 3s. ; and instead of being aug­mented, the revenue might be diminished by any such in­crease of duty. And hence, whenever the duties on com­modities are raised beyond a certain limit—a limit, how-

4. Letters and packets to and from public departments, and to and from public officers that formerly franked by virtue of their offices.

5. Deeds if sent open, or in covers open at the sides. They may be tied with string and sealed, in order to prevent inspection of the con­

tents ; but they must be open at the sides, that it may be seen that they are entitled to the privilege.

With these exceptions, all packets above the weight of 16 or. will be immediately forwarded to the Dead-Letter Office.

But all letters not paid when they are posted or despatched are charged *double the above rates.*

All parliamentary and official franking has been put an end to ; but members of either house of parliament are entitled to receive petitions to parliament free of charge, provided such petitions be sent in covers open at the ends, and dp not exceed 6 oz. weight.

To facilitate the working of the plan, envelopes and stamps for single, double, &c. letters, are furnished by the post-office, and have been widely distributed.

Such are the more prominent features of the new system ; and none can deny that it has the recommendations of simplicity and cheapness in its favour, and that it will greatly facilitate correspondence. But it may nevertheless be doubted whether its adoption was expedient. It is certainly very convenient for merchants, bankers, middlemen, and retail dealers to get letters for 1d. that previously cost them 7d. or 71/2d. ; but their satisfaction is not the only thing to be attended to in forming a fair estimate of the measure. The public exigencies require that a sum of above fifty millions a year should be raised, one way or other ; and so long as we are pressed by an unreasoning necessity of this sort, it is not much to say in favour of the repeal or diminution of any tax, that those on whom it fell with the greatest severity are delighted with the reduction. Sugar has in England become a necessary of life ; and its consumption, to say the least of it, is quite as indis­pensable to the bulk of the people, and especially to the labouring classes, as the writing of letters. But would it, therefore, be a wise mea­sure to repeal the duty on sugar, or to reduce it to 1s. a cwt. ? It has been alleged, indeed, that taxes on the transmission of letters are ob­jectionable on principle, and should therefore be repealed, independently altogether of financial considerations. But it is easier to make an allegation of this sort than to prove it. All taxes, however imposed, if they be carried (as was the case with the old rates of postage) beyond their proper limits, are objectionable ; but provided these be not exceeded, we have yet to learn why a tax on a letter should be more objec­tionable than a tax on the paper on which it is written, on the food of the writer, or on fifty other things.

The following statement of the probable results of the new system was drawn up before it was commenced. Perhaps it will turn out not to be very wide of the mark.

The total *gross* receipt of the post-office revenue of the united kingdom, deducting overcharges and returned letters, amounted, in 1837, to L.2,339,739 : the expenses of the establishment for the same year amounted to L.681,259, leaving a *nett* revenue of L.1,658,480. It is almost needless to say, that there is no probability whatever that the expenses of the post-office will be lessened by the rate of postage being reduced to Id. On the contrary, it is all but certain, from the greatly increased number of letters, that these expenses will be very materially in­creased. Supposing, however, that the post-office expenses remain constant, it will require the enormous number of 163,502,160 penny let­ters annually to pass through the post-office to defray the cost of the establishment ; and no fewer than 561,537,360 such letters would be required to prevent any loss of revenue. But though the number of letters passing through the post-office under the penny rate may be fairly expected to exceed the first of these amounts, it is probable that a pretty long period will elapse before it comes up to half the second.

Taking the return published by the Postage Committee, of the number of letters passing through the post-office in the week ending with the 22d of January 1838, for a basis, it appears that in the course of a year the

General post letters in Great Britain and Ireland amounted, under the old system, to 48,945,624

Penny post letters ,. 7,320,092

London twopenny and threepenny letters  12,058,800

Franked or privileged letters 6,390,204

Total letters 74,714,720

Now the question is, what will be the annual increase in the number of letters sent by post, under the new or penny rate ? All answers to this question must, of course, be nearly hypothetical ; and the following is precisely of this description \*

Old System. New System.

General post 48,945,624 letters per annum.

Add for probable amount of those sent clandestinely 11,054,376

Total 60,000,000 8uρposed increase on general post letters 21/2 times... 150,000,000

Penny post letters 7,320,092 say 10,000,000

London twopenny and threepenny letters 12,058,800 Supposed increase 21/2 times 30,000,000

Privileged letters and packets same as at present 7,000,000

New classes of advertisers, circular letters, &c. . supposed 60,000,000

Increase in commercial travellers\* letters 10,000,000

267,000,000

Which, at 1d. per letter, would produce a *gross* revenue of L.1,112,500; from which, deducting L.680,000 for expenses, there remains a *nett* revenue of L.432,000, being more than L.1,200,000 under its late amount.

But it is material to observe, that the falling off in the revenue will not be so great as this, inasmuch as a very considerable number of let­ters exceed 1/2 oz. weight. The facility, under the new system, of transmitting small parcels by post, instead of, as formerly, by mail, has made great numbers of them be so conveyed ; and their postage will in so far contribute to increase the amount of revenue. It appears from the Parliamentary Papers, No. 129, session 1840, that the total number of letters passing through the post-office in the united kingdom during the week ending the 24th of November 1839, when the old system was in force, was 1,585,973 ; and that the number passing through the post-office in the week ending the 23d of February 1840, under the new system, was 3,199,637, being an increase of about *double.* But, as already stated, the new system has been too recently introduced to allow of its being subjected to the test of experience. It may also be cer­tainly anticipated, whatever be the amount of the post-office revenue under the new system at the outset, that it will increase with the rapidly increasing commerce, wealth, education, and population of the country. But that does not show that the new plan has any peculiar merit; the revenue would have increased under any reasonably well-contrived system. All taxes on articles in general use are sure, provided they be not excessive, to increase with every increase of population and wealth.

The abolition of franking is a very great improvement. Franked letters were generally addressed to those who could best afford to pay the expense of postage, and who thus escaped a burden that fell with its full weight on their less opulent and less known neighbours.