

REPORT OF THE COMMITTEE

APPOINTED BY

THE COUNCIL

OF THE

HOME GOVERNMENT ASSOCIATION

TO EXAMINE THE

FINANCIAL RELATIONS BETWEEN GREAT BRITAIN AND
IRELAND, AND THE PRESSURE OF TAXATION UPON
IRISH RESOURCES.

W. J. O'N. DAUNT,

Chairman.

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REPORT.

The Committee appointed by the Council of the Home Government Association to examine the Financial Relations between Great Britain and Ireland, and the Pressure of Taxation upon Irish Resources, have agreed to the following Report:—

IRELAND complains that she is unjustly treated by the Imperial Parliament in respect to taxation for the following reasons:—

1. She is entitled to a lower rate of taxation than Great Britain on account of the great disparity between the British and Irish national debts at the time of the Union; not a shilling of the principals of which pre-Union debts has ever been paid. The British debt was then more than sixteen times larger than the Irish debt; and solemn promises were given to Ireland that she never should be brought under the pre-Union burthens of Great Britain. But in violation of these promises, Ireland has been brought under those burthens by the equalization of her taxes with those of Great Britain; and she never has been given an equivalent for the load thus imposed on her.

2. Such taxes as by the Act of Union were to have been borne in common by both countries, ought, (in the words of Lord Castlereagh), to have been apportioned with a strict regard to the measure of Ireland's relative ability. But the Act of Union over-estimated the relative ability of Ireland; the result of which excessive estimate was necessarily to involve Ireland in enormous and disproportioned debt.

3. Ireland affirms that this debt was fictitious, in so far as it originated in an overcharge on her comparative resources; yet that this fictitious debt has been treated by British statesmen and by the Imperial Legislature, as if it were morally and equitably binding upon Ireland. It has been made the pretext for extorting from Ireland amounts of revenue enormously in excess of her real relative ability; and at this moment insatiable statesmen are engaged in new projects of augmented extortion.

4. Ireland complains that by the financial legislation of the Imperial Parliament, she is deprived of the enjoyment of her own surplus revenues; the exclusive use of which surplus, the 5th clause of the 7th Article of the Union professes to secure to her. And she suffers heavy loss from the expenditure in Great Britain, or elsewhere abroad, of an inordinate amount of Irish revenue.

The above are the chief heads of our Financial Grievance. To substantiate the statements we have made, it is necessary to refer to the Act of Union, and to the respective fiscal liabilities of Great Britain and Ireland at the time of its enactment.

The Seventh Article of the Act of Union contains the following financial terms:—

I. Ireland was to be protected from any liability on account of the British National Debt contracted prior to the Union.

II. The separate debt of each country being first provided for by a separate charge on each, Ireland was then to contribute two-seventeenths towards the joint or common expenditure of the United Kingdom for 20 years; at the expiration of which period the contribution of Ireland was to be made proportionate to her ability, as ascertained at periods not more distant than 20 years, or less than seven years from each other. Certain tests of relative ability are specified by the Act, one of which is a comparison of the exports and imports of the respective countries; another is a comparison of the amount of income in each country,

estimated from the produce of a general tax, if such should be at any time imposed on the same descriptions of income in both countries.

III. Ireland was not only promised that she never should have any concern with the then existing British debt, but she was also assured that her taxation should not be raised to the standard of Great Britain until the following conditions should occur:—

1. That the two debts should come to bear to each other the proportion of fifteen parts for Great Britain to two parts for Ireland; and,

2. That the circumstances of the two countries should admit of uniform taxation.

There was also a clause in the Seventh Article, which provided that if any surplus Irish revenue should remain after defraying the proportional contributions, and separate national charges of Ireland, taxes were to be taken off to the amount of such surplus; or if not, the surplus was to be applied to Irish purposes exclusively.

To create a popular belief that the Irish purse would be honestly dealt with by the Imperial Parliament, and never made contributory to the old British debt, Lord Castlereagh said, on the 5th February, 1800:—

“In respect to past expenses, Ireland was to have no concern whatever with the debt of Great Britain, but the two countries were to unite as to future expenses, on a strict measure of relative ability. He should have considered it a most valuable circumstance in this arrangement, if the countries could have been so completely incorporated as not to have had distinct revenues. . . . Such, however, was the disproportion of the debts of the two Kingdoms that a common system was then impossible, *nor could any system of equivalent, as in the case of Scotland, be applied for equalizing their contributions.* It was therefore necessary that the debts of the two Kingdoms should be kept distinct, and that of course their taxation should be separate and proportionate.” (Speech of Lord Castlereagh as printed in pamphlet form by J. Rea, 57, Exchequer-street, Dublin, 1800.)

Your Committee cannot resist the conviction that all the promises and provisions purporting to protect Ireland in the use of her own revenues, and to preserve her from British pre-Union liabilities, were intended to deceive; inasmuch as

other provisions, of which the effect was to render them nugatory, were also incorporated in the Act of Union. These provisions were two:—the first, that the Irish contribution to common expenses should be in the proportion of 2 parts to 15, or 1 to $7\frac{1}{2}$: the second, that when this proportion should have swelled up the Irish debt (which at the time of the Union was less than one-sixteenth of the British,) to bear to the British debt the ratio of 1 to $7\frac{1}{2}$, then it should be competent to the Imperial Parliament to abolish fixed quotas of contribution, to consolidate the exchequers, and to tax both countries indiscriminately. Against both these fraudulent provisions the anti-Unionists strongly protested. On the 17th of February, 1800, the Right Hon. John Foster, Speaker of our House of Commons, showed that Lord Castlereagh's proportion of 1 Irish to $7\frac{1}{2}$ British was based on the value of selected items; while others of essential importance were omitted, which, if included, would have greatly lowered his Lordship's estimate of Irish comparative ability. On the 19th March, 1800, and again on the 26th May in that year, Mr. Grattan, in a similar line of argument, exposed the fallacious nature of that estimate. Having done so, he predicted the financial results of the Union in the following words:—

“Rely on it that Ireland, like every enslaved country, will ultimately be compelled to pay for her own subjugation. Robbery and taxes ever follow conquest; the country that loses her liberty, loses her revenues.”

Mr. Grattan did not fail to point out the operation of the fraudulent provision in the Act of Union, which, instead of giving Ireland a substantial equivalent for increased taxation, enacted that her taxes should be raised to the British level as soon as the dishonest (because designedly exaggerated) estimate of her relative resources should have forced up her debt to the desired standard:—

“If,” said he, “the terms of the financial part of the Union were as beneficial as they are injurious, it would be of little moment; for there is an article that whenever the Minister shall raise the debt of Ireland to an amount which shall be as two to fifteen in relation to the permanent debt of England, (in three years of war they tell you they will do it) then you are to be taxed as much as England.”

On the question of relative taxable capacity the anti-Union Irish Lords placed on record two remarkable protests. One of these estimated our proportion as one to thirteen British; and subsequent experience abundantly demonstrated that the ratio of 1 to $7\frac{1}{2}$ was—as we doubt not it was meant to be—greatly in excess of the comparative resources of Ireland.

Lord Castlereagh, in his speech of the 5th March, 1800, “lamented” that the circumstances of the two countries did not permit the adoption of the precedent furnished by the Scotch Union; namely the immediate financial incorporation of the kingdoms by the payment to Ireland of an equivalent for subjecting her to British taxation. His Lordship was the Irish agent of the English Government through the whole of this nefarious transaction; and your Committee do not doubt that in introducing a scheme by which Ireland should be ultimately subjected to British burthens without being given an equivalent, he acted with deliberate purpose, and with full knowledge of the result.

The profligate proposal that whenever the Irish debt should be swollen up to a given standard, then Irish taxes were to be raised to the British level, was ably combated by Mr. Speaker Foster. Lord Castlereagh tried to soften the injustice by saying that the given proportion might be reached, partly by the increase of the Irish debt, but partly also by the decrease of the British. To this Mr. Foster answered, on the 15th March, 1800:—

“The monstrous absurdity that you would force down our throats is, that Ireland’s increase of poverty, as shown by increase of debt, and England’s increase of wealth, as shown by diminution of debt, are to bring them to an equality of condition, so as to be able to bear an equality of taxation. This is contrary to all reason.”

Such a state of matters would have been thoroughly unjust. But what happened was worse. The given ratio was reached solely by the augmentation of the Irish debt, without any diminution of the British.

The following table shows the amount of the two debts

and debt-charges as they stood on the 5th January, 1801; and their respective increase on the 5th January, 1817:—

Year.	British Debt.	Annual Charge.	Irish Debt.	Annual Charge.
5 Jan., 1801	£450,504,984	£17,718,851	£28,545,134	£1,244,463
5 Jan., 1817	734,522,104	28,238,416	112,704,773	4,104,514

This table is taken from a parliamentary return, No. 35, year 1819.* It suggests the following observations: firstly, the Imperial Parliament had less than doubled the British debt in 16 years; but during that period they had quadrupled the Irish debt: secondly, the Union-government had insisted on fixing the Irish comparative ratio of ability at 1 part Irish to $7\frac{1}{2}$ British; but the post-Union borrowings by the Imperial Government on Irish account were in the much higher ratio of 1 part Irish to $3\frac{1}{2}$ British: thirdly, these borrowings demonstrated the unfairness of the Union ratio, as they were made to supplement the deficiencies of Irish revenue arising from Irish incapacity to pay the Union proportion of 1 part to $7\frac{1}{2}$: and, lastly, they effected the fiscal purpose of the Union by forcing up the Irish debt to that proportion; thereby furnishing to the Imperial Parliament a pretext under the Seventh Article of the Union for abolishing separate quotas of contribution and taxing the two countries indiscriminately.

Your Committee doubt if history records a more remarkable instance of audacious and gigantic fraud than this whole transaction. The kingdom of Ireland is deliberately overcharged; and when the overcharge results in national

* By another Parliamentary Paper No. 236, year 1824, signed by J. C. Herries, Secretary of the Treasury, the British and Irish debts as they stood in 1801 are stated as follows:—

British Funded	£420,305,944
Irish Funded	26,841,219

By adding the unfunded debts to these amounts, Great Britain is brought up in round numbers to £446,000,000, and Ireland to £28,000,000. The difference between the two returns is unimportant, as its effect on the proportions is infinitesimal. Mr. Herries's return makes the Irish debt-charge less than it appears in that of 1819.

insolvency, it is availed of as a pretext for exorbitant taxation.

The following attestations of prominent statesmen in the United Parliament show the fiscal wrong inflicted upon Ireland by the Union:—

On the 20th June, 1804, (four years after the Union had passed) Mr. Foster observed, that whereas in 1794 the Irish debt did not exceed two millions and a-half, it had in 1803 risen to 43 millions; and that during the current year it was increased to nearly 53 millions.

In the discussions on the Irish budget in 1804 (for up to 1817 the Irish and British Exchequers continued separate) Mr. James Fitzgerald said that “it was obvious that Ireland could not discharge her share of the unequal contract entered into for her; and of course that England should ultimately pay all.”

And, seeing that “the unequal contract” was forced upon Ireland by British bayonets and British bribes (with Irish money) it was no more than just that England should ultimately pay all. But this equitable obligation is not recognized by modern English statesmen.

On the 19th March, 1811, Mr. Parnell adverted to what he termed the main cause of the increase of the Irish debt, and the failure in the produce of the Irish taxes. He said, “The ratio of the contribution of Ireland to the general expenditure fixed by the noble Lord (Castlereagh) was that cause. In this his Lordship was mistaken; and that,” continued Mr. Parnell, “was the source of all those evils and embarrassments that oppressed the country. Ireland has been paying a greater proportion than she ought to have done.”

On the 20th May, 1811, Sir John Newport said, in a debate on the Irish budget: “The revenues of Ireland have made no progress adequate to her debt. *No instance had occurred within the last three years in which the separate charge of Ireland amounted to within one million of the joint charge.* This was one effect of the rate of contribution

fixed at the Union, which, so long as it was acted upon, would render the payment of the debt impossible."

On the 11th June, 1813, Mr. Wellesley Pole said that "when the Union proportions were settled, the Imperial expenditure was only 25 millions, whereas it was now 72 millions." He added that it never could have been expected that Ireland would be able to pay two-seventeenths of so large a sum as 72 millions.

It appears probable that the words here ascribed to Mr. W. Pole were incorrectly reported. Ireland was not required by the Union Statute to raise two-seventeenths of the *whole* imperial revenue; but only of that portion of the revenue which remained after each country should have first provided for its own separate debt-charge.

On the 20th May, 1816, Mr. Vesey Fitzgerald said,

"You contracted with Ireland for an expenditure she could not meet; your own share of which you could not meet but by sacrifices unexampled; by exertions the tension of which England only could have borne. Ireland had been led to hope that her expenditure would have been less than before she was united with you. In the 15 years preceding the Union it amounted to 41 millions, but in the 15 years of Union it swelled to 148 millions. *The increase of her revenue would have more than discharged, without the aid of loans, an expenditure greater than that of the 15 years preceding 1801.*"

This is tantamount to an admission that a domestic Parliament would have preserved us from the insolvency in which we were involved by the Union rate of contribution.

Mr. Leslie Foster (afterwards Baron Foster of the Irish Bench), said, with regard to the taxation of Ireland, "In fact taxation in that country had been carried almost to its *ne plus ultra*."

On the 21st April, 1818, Mr. (afterwards Lord) Plunket, speaking to a motion of Mr. Shaw's on the window tax, said,

"Ireland certainly had not paid the two-seventeenths stipulated for at the time of the Union; and for the plainest of all possible reasons, because she could not; because a burthen utterly disproportioned to her strength had been imposed on her."

In 1822, the late Right Hon. Henry Goulburn, speaking to a motion of Sir John Newport, said,

“The Union contribution of two-seventeenths for Ireland is now admitted on all hands to have been more than she was able to bear.”

We pass from these testimonies of individual statesmen to the Report of the Parliamentary Committee which in 1815 recommended the consolidation of the Irish and British Exchequers.

Having stated that the Committee had considered “whether or not the respective circumstances of the two countries would henceforth admit of their contributing indiscriminately by equal taxes” to the imperial revenue, the Report proceeds :

“It is well known that Parliament has not hitherto deemed it expedient to extend to Ireland the most productive of the taxes imposed in Great Britain for raising by direct taxation the supplies within the year. In other respects your Committee have found the taxes of Ireland not fully equalized with those of Great Britain, particularly in the excise, where some important branches are protected from increase until 1820 by the Act of Union; and in the stamps.

“But on the other great heads of revenue—customs and assessed taxes—they have found a very near approximation between the rates of both countries. Your Committee cannot but remark, that for several years Ireland has advanced in permanent taxation more rapidly than Great Britain herself, notwithstanding the immense exertions of the latter country, and including the extraordinary and war taxes. The permanent revenue of Great Britain increased from 1801, when the amounts of both countries were first made to correspond, in the proportion of $16\frac{1}{2}$ to 10. The whole revenue of Britain (including war taxes) as $21\frac{1}{4}$ to 10, and the revenues of Ireland as 23 to 10.

“Under these circumstances it is manifest that no practical benefit can possibly be obtained for any part of the United Kingdom by endeavouring to maintain a fixed proportion of expenditure, *when that proportion has rapidly carried the debt of Ireland from a state of great relative inferiority into a growing excess*, which cannot be met by any system of taxation that would not violate the most solemn engagements.

“Moreover, it appears to your Committee, that from the whole tenor of the Act of Union, and the very circumstance of the temporary guards to prevent the too sudden imposition of burthens on the weaker country before time had been allowed for the acquisition of at least equivalent benefits, that a Union, strict and perfect in matters of finance to the extent of consolidating the treasuries and the exchequers, must have been contemplated by the two treasuries.

“On the whole, then, with a view to the clear advantage of all parts of the empire,—to relieving Ireland from a burthen which experience has proved too great,—and at the same time with the hope of rendering her resources more productive, your Committee have resolved—”

(Then follows their resolution, affirming that the time had arrived for consolidating the two exchequers.) *Report of 1815, Sessional number 214.*

The Parliamentary Report just quoted accords with the testimony of the several statesmen previously cited, in admitting that the disproportioned augmentation of the Irish debt arose from the unfair ratio of expenditure fixed by the Union; and it expressly states that Ireland had been subjected to "a burthen which experience had proved too great." Now, when the unjust overcharge was thus acknowledged, what, we ask, was the obvious remedy pointed out by common sense and honesty? Clearly to lower the ratio of Irish contribution to a scale proportioned to Irish relative ability; and, as the excess of Irish debt avowedly resulted from an overcharge, to transfer that excess from the Irish to the British account. To admit that Ireland had been charged too much, is to admit that Great Britain had been charged too little in the apportionment of common expenses. It is to admit that as far as what was called Irish debt arose from an overcharge, so far that debt was not Irish debt in any equitable sense, but that it was really and equitably British debt. But instead of fixing a ratio of Irish contribution really commensurate with Irish comparative resources—instead of recommending that Great Britain should assume the excess which though nominally Irish debt was truly and equitably British debt—the Committee of 1815 recommended the consolidation of the two Exchequers; which measure, by consolidating the revenues, also consolidated *the debts* of the two kingdoms; thus mortgaging Ireland, present and future, for the whole of the British liabilities, pre-Union as well as post-Union. Lord Castlereagh in 1800 had "lamented" that England could not give Ireland an equivalent for becoming financially incorporated with her. But in 1816 the incorporation was adroitly accomplished without the least hint of an equivalent. Instead of an equivalent, Ireland had been given debt, fictitious debt; she had been given, in the words of Mr. Vesey Fitzgerald, a contract for an expenditure she could not meet; in the words of Mr. Plunket, a

burthen utterly disproportioned to her strength; in the words of the Committee of 1815, a burthen which experience had proved too great. Such was the species of compensation given to Ireland for involving her in English liabilities.

That the excess of the Irish burthen originating in the overcharge was equitably British and not Irish debt, is, if possible, rendered more plain by the fact that the Union statute which contained that overcharge was forced by England upon Ireland against the will of the Irish nation; forced upon Ireland by a remorseless system of military terror and parliamentary corruption. Technicalities apart, the Union was exclusively the act of England. It was not, in any moral sense, the act of Ireland. Ireland cried out against it. If an unprincipled adventurer broke into a merchant's house at the head of a gang of armed burglars, held his pistol at the merchant's head, and bribed his clerks to sign a deed in their employer's name involving him in new and monstrous pecuniary liabilities, such a transaction would bear a strong resemblance to the mode in which the Union and its fiscal conditions were imposed upon Ireland.

The Act to consolidate the two Exchequers was passed in 1816. It is the 56 Geo. III., chap. 98. It had the mischief of seeming to be beneficial. It professed to relieve Ireland from an overload; but, by abolishing the Union quotas of contribution without substituting fairly estimated quotas in their stead, it left Ireland to be overtaxed to whatever extent the Imperial Parliament might at any time think fit to wring revenue out of her. When, after the conclusion of war, the taxation of the empire was sensibly diminished, the pressure upon Ireland became less onerous, although strict regard was not had either to her comparative ability, or to her equitable claim to lighter taxation than Great Britain, on the score of her lighter indebtedness. It was reserved for Mr. Gladstone to render extortion intolerable by his exceptionally reckless disregard of these considerations. The time which he selected for his monstrous exactions, and the pretexts by which he defended them, are

worthy our special attention as illustrating the enormous evil of foreign legislation. Firstly, as to the time of the new burthen. In 1853 Ireland was suffering the miseries of several years' failure of the potato-crop; she had, since 1846, then lost about two millions of her inhabitants between death by famine and emigration; her poverty was excessive,—and, incredible as it may appear—her very poverty was twisted by Mr. Gladstone into an argument for taxing her. Secondly, the reasons alleged by Mr. Gladstone for imposing the income-tax on Ireland, display an intrepidity of assertion which appropriately came from the lips of a man who was sure of a majority, and at whose feet Ireland lay fettered and helpless, unable to resist the hand that itched to rifle her. General (then Colonel) Dunne moved, on the 23rd May, 1853, for the postponement of the Income-tax Bill, until a Committee should have examined and reported on the fiscal claims and the financial capacities of Ireland. Mr. Gladstone opposed Colonel Dunne's motion; took his stand upon the fraudulent provisions of the Union; assumed that the so-called Irish debt thence resulting was an equitable Irish liability, and boasted that England having relieved Ireland of the load, was now entitled to increase the taxation of Ireland. Referring to the Committee of 1815, the Right Hon. gentleman said:—

“A Committee had sat upon this subject at an early date, and when they reported that the *debts* and finances of the two countries should be consolidated, with what view did they make that report? Did they make that report in the sense of imposing a burthen upon Ireland for the relief of England, or of imposing a burthen upon England for the relief of Ireland? They imposed a heavy burthen upon England for the relief of Ireland, and that statement rested upon figures which lay upon the table of that House. . . . Why, in 1815, just before this subject was examined, and before the *debt of Ireland* was consolidated with the debt of this country, the annual charge of debt upon Ireland—irrespective of one farthing of charge for military or civil government—the mere charge of Irish debt was £5,900,000. This, he repeated, was the simple charge of the debt.”

Your Committee beg attention to this statement. The annual charge of the Irish debt in 1815 is here set down by Mr. Gladstone at nearly six millions. Either this statement is true, or it is false. If it be false, what an instance

of the flagitious means adopted to mislead the public mind! If, on the other hand, it be true, then what a crushing condemnation it affords of the imperial mismanagement of Irish finance, and of the Union-ratio of Irish contribution which enabled the imperial parliament to engulf Ireland in an abyss of unfathomable debt! Mr. Gladstone goes on,

“Such was the state of things which was put an end to by the Act of Union.”

The Union here indicated is that of the Exchequers. Mr. Gladstone overstates the annual Irish debt-charge; which in truth was heavy enough without being thus exaggerated. On the 5th Jan., 1817, it was £4,104,514; not £5,900,000. (Return 35 of 1819). “Such,” he says, “was the state of things which was put an end to by the Union” (of the Exchequers). The way in which that measure put an end to the state of things in question, was by mortgaging Ireland conjointly with Great Britain for the whole Imperial debt of both countries, then amounting to £847,226,837. Of this total the British share was £734,522,104: the Irish share, as forced up by the Union-ratio, was £112,704,733; and much of this, as cannot be too often repeated, was in truth not Irish debt at all, but British; so far as it originated in an overcharge on Ireland.

“The expenditure on account of Ireland in 1817 (continues Mr. Gladstone), including civil and military charges, was £10,241,000; while the total payments into the Irish Exchequer as against that expenditure was £4,384,000; so that the amount provided from the British Exchequer to make good the deficiency was £5,856,000 in that single year.”

Your Committee do not stop here to point out the omission from Irish payments of uncredited taxes, including the taxes paid in England out of Irish absentee rental. But they repeat that whatever the real amount of the deficiency may have been, that amount was inflated by overcharge. And Mr. Gladstone’s alleged Irish expenditure of £10,241,000 includes the gross miscalculation of £1,795,486; that being the difference between £5,900,000, the alleged, and £4,104,514, the real, debt-charge on the so-called “Irish” debt at that period. The Right Hon. gentleman goes on to

quote, as if it were a sound authority, a return of Irish liabilities granted on the motion of Mr. MacGregor, M.P. for Glasgow, and which was calculated on the amount of what was called "Irish debt" as it stood on the 1st February, 1817. Calculated, that is to say, on a basis not only false, but condemned long before by the statesmen we have already quoted; and cast aside by a Parliamentary Committee when it had done its work of rendering Ireland bankrupt, and was no longer required for the purpose of financial chicanery:

"The figures he (Mr. Gladstone) had quoted, showed that Ireland had not at any period paid the charges inherited by her from the separate arrangement with respect to her debt, together with the charges for civil government which were applicable to her. . . . As far as he could hear, the hon. and gallant gentleman (Colonel Dunne) had not adverted to the terms of the Act of Union, nor to the fact that it contemplated and provided for the principle of consolidated finances and equal taxation, and that that principle was to become applicable when the debt of Ireland had reached a certain proportion—that of two to fifteen*—to the debt of England. The debt of Ireland did reach that proportion to the debt of England; it reached a much higher proportion than the debt of England at the end of the war; and that was precisely the case which was provided for by the Seventh Article of the Act of Union." (*Hansard*, vol. cxxvii).

Just so. A monstrous overcharge on Ireland is treated throughout as if it were no overcharge at all, but something which Ireland was culpable for not having paid. The purport of the Right Hon. gentleman's argument is, that as England had assumed the overcharge, Ireland ought to pay the new taxes which he introduced. He argues as if the removal of an admitted wrong entitled England to inflict on Ireland an equivalent wrong in place of the one taken off. Suppose the case of a money transaction between two merchants, A. and B. On making up their accounts, B. discovers that A. has overcharged him £1,000. A. admits the error and transfers the £1,000 to his own debit. But he then says to B., "Well, my dear fellow, as I have generously taken the onus of that thousand on myself, you must really allow me to fleece you some other way." We should not commend the honesty of such a proposition; yet it is exactly

* *Hansard* makes Mr. Gladstone say "two to five;" but this is so plainly an error either of the press or of the reporter, that we have no hesitation in correcting it.

the same in principle as Mr. Gladstone's plea for inflicting income tax on Ireland. It is to be observed that the Act of 1816 which made Ireland liable for English debt, is facetiously described by Mr. Gladstone as having relieved Ireland at the expense of England.

There were certain advances of money to Ireland during the years of famine; the unrepaid balance of which advances in 1853 amounted to about £4,000,000, involving an annual payment of £245,000. These advances were called the Consolidated Annuities; and the House of Lords had recommended their total remission. Mr. Gladstone represented this remission as a fair set-off against the income tax. Four millions were remitted; but the Irish income tax up to 1870 amounted to over £11,000,000; which would have paid the Consolidated Annuities nearly three times over. It has reached about 12 millions by this time. It may here be noted that since 1870 the English Government have, for obvious purposes, suppressed the separate payments of Ireland, and lumped the three Kingdoms indiscriminately in their finance accounts.

It will be remembered that the Act of Union pretended to protect Ireland from equality of taxation with England "until the respective circumstances of the two countries should admit of uniform taxation." If these words meant anything, they must have meant that equality of burden should not be imposed until Ireland became wealthy enough to endure it. In 1853 she was miserably poor, and her poverty was aggravated by a prolonged famine. As the condition of Irish wealth implied by the Act of Union had not occurred, Mr. Gladstone thought he could extract an argument for increased taxation from Irish poverty; and accordingly he argued that as Ireland was poor, a man with £150 a year in Ireland was proportionately richer than a man with £150 a year in England; and consequently that his income was at least as fit a subject for taxation. The special merit of this logic is, that the poorer the country, the stronger the argument for taxing her.

General (then Colonel) Dunne, member of Parliament for the Queen's County, obtained with much difficulty in 1864 a Committee to examine the whole question of Irish Taxation. Among the English members of the Committee were Mr. Lowe, Sir Stafford Northcote, Mr. Hankey, and Mr. Banks Stanhope. Their proceedings were recorded in a Parliamentary Blue Book. Throughout the examination the English members carefully ignored the disparity of the British and Irish pre-Union debts. They assumed all along, as Mr. Gladstone had previously done, that the condemned overcharge on Ireland of two-seventeenths was equitably binding on our country. They ignored the just claim of Ireland for lighter taxation on the score of her lighter pre-Union debt. They ignored the fraudulent device by which the Irish post-Union debt was increased by a false calculation of Irish relative ability. Mr. Lowe paraded the exemption of Ireland from certain special English taxes, viz., inhabited house-tax, a tax on railways, and some other imposts, the total of which in 1864 was £3,785,000; but he took care to forget that those taxes did not amount to a fourth part of what England should exclusively pay on account of her own pre-Union debt-charge. He asked whether the poorer parts of England, instancing Wiltshire, could not set up the same case for remission of taxes as Ireland—just as if Wiltshire ever had a separate debt; or had been promised (as Ireland was) exemption from any part of the British debt; or had been promised (as Ireland was) the exclusive use of her own surplus revenue; or had been promised (as Ireland was) that her taxes should be regulated on a strict measure of her relative ability! All these disparities Mr. Lowe ignored; and the line taken by him and the other English questioners demonstrates the absolute necessity of preserving Irish national distinctness in matters of finance, as our only protection from the ruinous consequences of British rapacity.

There was an important Report on the Evidence drawn up by Sir Stafford Northcote. General Dunne refused to sign it, deeming that it did not fairly state the merits of the

Irish case. The General's draft report was lost by the defection of two Irish members, Sir George Colthurst and Mr. Pope Hennessy. Sir Stafford defends the amalgamation of the two Exchequers in 1817 on the following grounds:—

“Had that amalgamation not taken place,” he says, “and had the system of raising revenue [by loans] which prevailed from 1801 to 1816 been continued, the Irish separate debt would have continued to increase until the country might have been crushed by it.” (Page viii. of Report.)

Sir Stafford here speaks as if the system of raising Irish revenue by loans must needs have been perpetual unless stopped by the amalgamation of the Exchequers. But, firstly, he forgets that it needed not have lasted beyond 1820; the Act of Union having provided that in that year there should be a revision of the British and Irish proportions. Secondly, he speaks as if the Imperial Parliament in 1816 had no mode of removing the unjust proportions, except by amalgamating the Exchequers. But it *had* another and an infinitely better mode, if it had chosen to adopt it; namely, to revise the proportions, lowering the Irish ratio to the scale which equity demanded. It anticipated the period of revision prescribed by the Union in order to bring Ireland under British debt; it had surely the same power to anticipate that period for the purpose of establishing an equitable quota of Irish contribution.

Sir Stafford makes admissions which your Committee commend to public attention. He says:—

“Since 1845, the share which Great Britain has had in the remission of Imperial taxation has been proportionally much larger than that which Ireland has had; and the additions made to the Imperial taxation of Ireland have been proportionally heavier than those made to the taxation of Great Britain, while, at the same time, it can hardly be doubted that Great Britain has derived a larger measure of advantage than Ireland from the repeal of the Corn Laws, as a compensation for which the boon was originally given by Sir Robert Peel.

“It is not surprising that the large increase which your Committee have noticed in the general taxation since 1845, should have given rise to complaint. Nor is it surprising that louder complaints should have been made by Ireland, than by other parts of the United Kingdom. The pressure of taxation will be felt most by the weakest part of the community; and as the average wealth of the Irish tax-payers is less than the average wealth of the

English tax-payers, the ability of Ireland to bear heavy taxation, is evidently less than the ability of England. Mr. Senior, whose evidence upon the position of Ireland will be found very suggestive, remarks that the taxation of England is both the heaviest and the lightest in Europe,—the heaviest as regards the amount raised, the lightest as regards the ability to bear that amount; but that in the case of Ireland it is heavy, both as regards the amount and as regards the ability of the contributor; and he adds that England is the most lightly taxed, and Ireland the most heavily taxed country in Europe, although both are nominally liable to equal taxation." (Report, pp. x. xi.)

In all this, Sir Stafford Northcote does not seem to see the least injustice, or the least ground for reducing the taxation of Ireland. The reason is, that his mind, like the minds of the other English members of the Committee, is permeated with the notion that Ireland has no separate individuality, but is politically in the same position as any English county. Mr. Senior had said in his evidence that Ireland, being in partnership with England, was taxed as the rich country, while she was the poor one; an excellent illustration by the way, of the value to us of the "partnership." (Question 5519). But Sir Stafford says,

"If Ireland were to be relieved of two or three millions of taxation, on the ground of her poverty, and those two or three millions had to be made up by an addition to the taxation of England, the burthens of the poor districts of Great Britain would actually be increased for the purpose of diminishing the burthens not only of the poorest, but also of the richest districts of Ireland."

If Ireland were to be relieved of taxation on the ground of her poverty, such relief would be merely the fulfilment of Lord Castlereagh's engagement, that she should be taxed on a strict measure of relative ability. Sir Stafford in so many words admits that "her ability to bear heavy taxation is less than the ability of England;" but he ignores the promise that she should on that account be less heavily taxed; while Mr. Gladstone, as we have seen, actually discovers in her poverty an argument for taxing her. Then, as to Sir Stafford's notion that there would be hardship in transferring to Great Britain taxes to be removed from Irish shoulders; there is not the least hardship in compelling either men or nations to pay their own just debts. We have seen that the

whole scope and spirit of the Act of Union, and of subsequent Imperial legislation, was to subject Ireland to British burdens which she had no part in contracting; and this, notwithstanding certain illusory pretexts of protection made by Lord Castlereagh and embodied in the Union Statute.

Your Committee now proceed to consider the increase of Irish taxation introduced by Mr. Gladstone, with respect to its amount, and to the comparative taxable ability of Ireland.

The taxes paid by Ireland for the 20 years from 1833 to 1852 inclusive, amounted to £86,667,175; being an average of £4,305,626 per annum. In 1853 Mr. Gladstone imposed his new taxes. In the 20 years from 1853 to 1872 inclusive, the Irish taxes amounted to £131,851,265, being an average of about £6,524,745 per annum. Deducting the total of the previous 20 years from that of the 20 years ending in 1872, it will be seen that Mr. Gladstone has wrung £45,184,090 more from Ireland during the second of those periods than she had paid for the 20 years previously. And his government are at this moment preparing to increase the taxation of Ireland which is already intolerable. The net Irish credited revenue, excluding balances and drawbacks, was £7,121,017 in 1869; it was £7,202,929 in 1870. These amounts are exclusive of balances, and only represent our credited payments. Our uncredited revenue cannot be accurately ascertained; partly consisting, as it does, of duties paid in England on goods bought there for Irish consumption, and charged to the Irish purchaser as part of the price; and partly consisting of the taxes paid in England by absentee landlords from their Irish rental. These uncredited taxes have been computed by able calculators as amounting to £1,000,000 yearly. If this be approximately correct, the taxes now paid by Ireland amount to between eight and nine millions per annum.

Next, as to the comparative ability of Ireland to bear the tremendous load thus imposed on her. Both Mr. Pitt and Lord Castlereagh said that an income and property tax, had

it then existed in both countries, would afford the best test of their relative ability to bear taxation. That test now exists. In Thom's Almanac for the present year, compiled from official information, we find that in 1869 the amount of property and income assessed to income tax was,

For England	.	.	£370,070,360
„ Scotland	.	.	38,740,898
„ Ireland	.	.	25,992,699

Total £434,803,957

It appears by this test that Ireland's share of the general wealth of the empire does not much exceed a seventeenth; whilst the English Government extorts from her nearly one-ninth of the Imperial revenue. The revenue of the three kingdoms for the year ending 31st March, 1870, was, including balances, £78,646,412 12s. 1½d.; that of Ireland, including balances, was £7,620,622 9s. 6½d. (Finance Accounts for 1870, p. 10).^{*} Hence it appears that, omitting our uncredited taxation, the English Government made us pay nearly one-tenth of the general taxes out of little more than one-seventeenth of the general wealth. Reckoning our uncredited taxation, we nearly paid a ninth, according to the test of assessment.

There are other tests, however, which would seem to indicate that our comparative wealth is by no means so high as one-seventeenth of the wealth of Great Britain. In 1864 Mr. Chisholm, Chief Clerk of the Exchequer, gave the following data to General Dunne's Committee:—He stated that on an average of three years ending in 1863, the exports and imports of Great Britain were to those of Ireland as 52 to 1; the tonnage of Foreign trade, as 28 to 1; the total tonnage to and from all parts, as 4½ to 1; the total coasting trade to and from all parts of the same country as 68 to 1;

^{*} In the same page the nett receipt for the year 1870, after deducting repayments, &c., is thus given :

United Kingdom,	.	.	.	£75,674,196	8s.	0¾d.
Ireland,	.	.	.	£7,287,126	15s.	6¼d.

slightly more than the amount as given in Thom.

registered tonnage, 19 to 1; assessments (at that period) to income-tax, 13 to 1; deposits in banks on the 20th November 1863, 19 to 1; total deposits in banks for 10 years, $14\frac{1}{2}$ to 1; post office money orders during 10 years, 14 to 1; railway receipts for a year $19\frac{1}{2}$ to 1; interest on Government stocks 19 to 1; probate and legacy duty, 16 to 1. The mean of the above twelve tests is 25 to 1. Your Committee beg to observe that as the cross-channel trade has, since 1825, been placed on the footing of a coasting trade, it is not now accessible to their inquiries, but they deem it probable that if its amount could be ascertained, it would indicate at least as great a disparity of national wealth as the subjects of comparison submitted nine years since by Mr. Chisholm. Your Committee are aware that one of those subjects, tonnage, is often a delusive test; but inasmuch as English tonnage undoubtedly represents a vast export of English manufacture, whilst Irish manufactures are so few as to form a small item in Irish tonnage, the disparity which this test indicates between the wealth of Great Britain and that of Ireland, is very much greater than would appear from the mere arithmetical difference set forth in Mr. Chisholm's statement.

One of the tests of relative ability provided by the Union Statute, is the comparative amount of the import and export trade of the two countries. The total exports from the United Kingdom to foreign countries in 1871, are stated in Thom's Almanac for the present year, as having been in value, £223,066,162. Out of that enormous total, the share of Ireland, on the same authority, amounted only to £462,487. (Thom, pp. 732, 733, 829). The total imports into the United Kingdom in 1871 are stated in Thom (p. 737) at £331,015,480. The total imports into Ireland for 1870 are stated by the same authority at £8,725,211. Bearing in mind that the cross-channel trade is necessarily excluded from these statements, it is still manifest that they show a disparity of national wealth considerably greater than any of the subjects of comparison previously cited. They suggest two important

remarks; one is, that England pays to a great extent in manufactures for what she imports; whereas Ireland, having scarcely any manufactures, pays for the greater part of her imports in hard cash. The other observation is, that Ireland's imports, thus paid for, are more than sixteen times larger than her exports.

With respect to the expenditure in Ireland of her own revenues, a special Committee of the Municipal Council of Dublin examined that part of the international question in 1863 with acuteness and diligence; and they reported that the *credited* revenue of Ireland for 1861 (as shown by Parliamentary Paper, No. 116, of 1862) amounted to £6,546,281; from this sum they deducted the expenditure in Ireland, £3,860,585; excess remitted to England, £2,685,696.

"Another table," the Corporation Report continues, "in the return last referred to, shows the mode in which the Irish income for the year 1861, was applied, and we find the two following items:—

" Payments for army transferred to England ...	£2,385,868	11	2
Remitted through the Customs, and Inland)			
Revenue in Ireland to the Exchequer in }	384,847	3	2
England)			
	<hr/>		
	£2,770,715	14	4

"Thus it appears that, of the moneys paid into the Irish Exchequer in that single year, the large proportion of £2,770,715 was remitted to England and expended out of Ireland. But to ascertain the entire foreign expenditure of Irish revenue, we must add to the above the sum of £1,000,000, being the estimated amount of Irish revenue paid in Great Britain, besides the £200,000 for the Post Office and for Crown rents, making a total of £3,970,715 of Irish taxes expended out of Ireland in the year 1861. A similar calculation for 1860 shows a foreign expenditure of £4,095,453."

The manner in which the English members of General Dunne's Committee dealt with this question of expenditure was eminently characteristic. They coolly assumed that "the empire" required a certain amount of expenditure in England, which could not be reduced; and that Ireland, consequently, was disentitled to any increase of local expenditure; which, they argued, would involve an increase of imperial taxation. Where fiscal burthens are concerned, Ireland is always, in their estimation, an integral part of

“the empire;” but “the empire” invariably means England when the question is one of outlay.

What the present exportation of Irish revenue amounts to, your Committee are unable to state with the accuracy of the Dublin Corporation Report. Since 1870 the Government have ceased to specify the Irish revenue in their annual finance accounts; and as this suppression is contemporaneous with Mr. Baxter's bill, intended to augment the already exorbitant taxation of Ireland, its motive can be easily appreciated. It is probable that the tax-export is at present not less than it was in 1860 and 1861. And while Ireland is thus ruthlessly despoiled, British writers and politicians incessantly declare that she is a heavy expense to Scotch and English taxpayers!

Although the question of Absentee Rental, and of the money-drain originating in the decay of Irish manufactures, do not come within the scope of the present Report, yet your Committee cannot omit to observe that both those drains are of vast magnitude, and, together with the drain of revenue, powerfully operate to prevent the accumulation of Irish capital. It is obvious that this exhaustive process, so ruinous to the productive industry of Ireland, cannot be checked by any other means than domestic legislation.

The fiscal policy of the Government is necessarily calculated to depopulate Ireland. The whole international system introduced by the Union withdraws in many ways the income of this country. No proposition is plainer than that when another and a stronger country incessantly draws off the means which Providence has given for the support of our people, the people must seek in foreign lands the means of livelihood of which they are dishonestly deprived at home. Mr. Lowe looks with manifest complacency on the progress of depopulation. When acting on General Dunne's Committee, he asked the late J. F. Maguire, (question 4801) “It is hardly a thing to be regretted, is it, that those poor people should go where they can have prosperity?” To which Mr. Maguire answered: “No: but I think it is to be re-

gretted that the state of the whole country is so bad that hundreds of thousands of people are rushing from its shores." Ireland is first robbed of the means of giving prosperity to her inhabitants ; and then, when they are thus driven out, Mr. Lowe thinks " it is hardly a thing to be regretted." Home Rule would rescue the Irish race from statesmen who practice the policy of expulsion.

The international arrangement which justice points out, is this: Each country should be separately taxed for its own pre-Union debt-charge; Ireland should also bear the burthen of so much of her post-Union debt as bears a true proportion to her real relative ability; and her contributions to Imperial expenses should be also proportioned to her relative ability.

This arrangement should form the fiscal basis of the measure of Home Government. Ireland might fairly claim restitution of whatever amount of taxation in excess of her relative capacity the Imperial Government has exacted from her; but she would not insist on such a claim, as the resumption by Home Government of her rightful control of her own resources would enable her to dispense with it.

Your Committee will end their report with the following quotation from Mr. M'Culloch's " Principles of Taxation: "—

" Wherever the burthen of taxation is not fully compensated by increased production or increased saving, it encroaches on the means of future production, and the country begins to retrograde. Taxation, when carried to this extent, is one of the severest scourges to which a people can be subjected. By diminishing the capital or the funds destined to support productive industry, it lessens the national income—the only fund out of which taxes can be permanently paid; and lays the sure foundation of public poverty and disgrace in the destruction of private fortunes."

So spoke M'Culloch of excessive taxation, even when the amount was expended where it was raised. His words apply with indefinitely greater force when the amount is to a great extent exported from the country that contributes it.

Signed,

W. J. O'N. DAUNT,

Chairman of Committee.

APPENDIX.

Statement of Irish credited Revenue paid into the Exchequer from 1833 to 1852; and from 1853 to 1872 inclusive.

1833	...	...	£4,160,649	1853	...	...	£4,414,413
1834	...	...	4,445,455	1854	...	...	5,533,466
1835	...	...	4,641,711	1855	...	...	6,056,272
1836	...	...	4,798,781	1856	...	...	7,078,857
1837	...	...	4,519,693	1857	...	...	6,895,847
1838	...	...	4,670,690	1858	...	...	6,701,560
1839	...	...	4,576,649	1859	...	...	6,418,367
1840	...	...	4,102,285	1860	...	...	7,049,393
1841	...	...	3,969,633	1861	...	...	6,596,192
1842	...	...	3,934,369	1862	...	...	6,777,667
1843	...	...	3,959,711	1863	...	...	6,520,231
1844	...	...	4,265,733	1864	...	...	6,447,970
1845	...	...	4,491,158	1865	...	...	6,468,385
1846	...	...	4,710,104	1866	...	...	6,498,808
1847	...	...	4,355,401	1867	...	...	6,820,733
1848	...	...	4,327,565	1868	...	...	6,843,300
1849	...	...	4,332,459	1869	...	...	7,121,017
1850	...	...	4,118,932	1870	...	...	7,202,929
1851	...	...	4,000,682	1871	...	...	7,202,929
1852	...	...	4,286,515	1872	...	...	7,202,929
			<hr/>				<hr/>
			£86,667,175				£131,851,265
				Deduct	...		86,667,175
							<hr/>
							Mr. Gladstone's additions to the taxation of Ireland ... £45,184,090

In order to bring down the statements of Irish taxation to the present year, the amounts for 1871 and 1872 have been assumed to be each equal to the amount for 1870; as, since that year, the Government have not stated the Irish contribution separately in their Annual Accounts.

