

RECORD OF A CENTURY!

The First Instalment of the Draft Report on the Financial Relations of Great Britain and Ireland

TO BE SUBMITTED TO THE ROYAL COMMISSION.

Facts and Figures Marshallled with a Degree of Cleverness and Precision Seldom Equalled, but never Surpassed.

A Story of Injustice Towards Ireland told in Calm, Logical and Convincing Language—The Financial Arrangements, which at the Union were given with Absolute Assurance, Openly and Flagrantly Violated—A New Phase of Irish History.

THE following is the full text of that portion of the Draft Report of Messrs. Blake, Slattery and Sexton, dealing with the Past Financial Relations between Great Britain and Ireland:—

The History of the Financial Relations Between Great Britain and Ireland at and After the Legislative Union.

IRISH TAXATION BEFORE THE UNION.

Certain facts in the history of the financial relations between Great Britain and Ireland are so extraordinary that they challenge attention whenever the subject is reviewed. Indeed, they suggest that the explanation must be, as the facts themselves apparently are, unique in the annals of the movement of populations and scarcely paralleled in the records of public finance.

IRISH EXPENDITURE AND TAXATION FORCED UP 1794-1800.

When the Constitution of 1782 was established, and during the next 10 years, the taxation of Ireland did not exceed a million per annum. It was adequate to the defrayal of her expenditure, for her public debt of about two millions remained without material alteration from the opening of the period till its close. But only seven years after the conclusion of this period—at the passing of the Act of Union—the taxation of Ireland had increased from one million to 2½ millions per annum, her expenditure had grown from 1 million to 7 millions per annum, her debt had multiplied from 2 to 28 millions, her debt charge from a hundred thousand to a million and a quarter per annum—a sum about equal to what her whole taxation, indeed, her entire expenditure, had amounted to seven years before.

RATES PER HEAD BEFORE AND AT THE UNION.

The Irish revenue was levied, it may be said, entirely on consumption. In a population approximating to 5 millions, it represented a rate per head of about 4s in the earlier period (1782-1793), and at 10s at the passing of the Act of Union. At the same period the taxation of Great Britain, levied not wholly, as in Ireland, on consumption, but only to the extent of two thirds, was, in round numbers, 30 millions. Her population being then 10 millions, the rate per head per annum was 2s, or six times the corresponding rate for Ireland.

Declarations of British and Irish Ministers.

MR. PITT ON RELATIVE CAPACITY.

In 1785 Mr. Pitt, in the debate in the British House of Commons on the resolutions as to commercial intercourse with Ireland, being encountered by the argument that free trade would enable Ireland to compete with Great Britain, disavowed the idea that a poor country, merely because she enjoyed some comparative exemption from taxes, was therefore able to cope with a rich and powerful country. He affirmed that the smallest burden on a poor country, when compared with the burden of a rich one, was to be considered as "by no means in proportion with their several abilities." "For if one country," he said, "exceeded another in wealth, population and established commerce, in a proportion of two to one, he was nearly convinced that that country would be able to bear ten times the burdens that the other would be equal to."

MR. PITT ON THE PROPOSAL OF UNION.

When Mr. Pitt, as British Prime Minister, introduced the project of the Legislative Union in 1799, he assured the House that the British Government did not seek the Union "from a pecuniary motive." The measure "must infuse a large portion of wealth into Ireland," and "supply its want of industry and capital." The zeal, the spirit, and the liberal and enlarged policy of Great Britain gave ample proof that there was no ground for the apprehension that she would "tax Ireland more heavily," when Ireland became associated with her; and no foundation for the idea that Ireland would be subjected to "an increase of taxes" and "a load of bad debt." The contribution to be imposed on Ireland would not be greater "than the necessary amount of its own present necessary expenses as a separate Kingdom." And in the following year Mr. Pitt declared to the House that, under the act of Union, when passed, Ireland would "continue to contribute in its accustomed proportion."

LORD CASTLEREAGH ON THE BILL.

The Irish Secretary, Lord Castlereagh, uttered similar declarations to the Irish House of Commons, and gave corresponding pledges. In his speech of the 5th February, 1800, introducing the articles of the Treaty, he said, "If any sacrifice be made it will not be on the part of Ireland," but upon the part of Great Britain. The settlement was offered, he declared, not upon the mercenary principle that Ireland would sacrifice what was essential to her happiness to any pecuniary consideration; not as a bribe, but as a settlement of advantage to Ireland.

WHAT IRELAND WOULD SAVE BY THE UNION.

The Secretary dwelt upon the liberality, nay, even the generosity, of the terms. Referring to the expenditure of Great Britain and of Ireland for the preceding year (1799), he declared that Ireland would have saved a million in that year if she had been united with Great

Britain on the terms proposed in the Bill of Union. So long as the war should last, and Ireland continued separate, it was not possible to suppose that her expenses could be reduced. "Therefore," the Minister urged, "we shall in future expend more in time of war by one million a year than if we were united with Great Britain." In time of peace—if the Union were not carried—the expenditure of Ireland, at the lowest computation, would, he affirmed, be close upon three millions a year; but it was not possible to suppose that the permanent yield of the revenue would be more than £2,300,000 per annum, hence there would be an annual deficiency of £600,000. But, in the event of a Union, the quota of Ireland towards joint expenditure, together with her separate debt charge, would not amount to 2½ millions a year. The Minister summed up in express and precise terms the financial gains which he warranted the adoption of his proposal to secure to Ireland. "The future charge of our war expenses will be diminished by a million a year, and we shall be able to support our peace expenditure with a very slight addition to the present taxes." The produce of all taxes in the preceding year he stated at only £1,850,000 and the permanent yield of the Irish revenue he put at a maximum of £2,300,000. Summed up, the engagement of the Minister was that Ireland, under the Union, would not incur a greater annual expenditure than 4½ millions in time of war, and £2,400,000 in time of peace, being a million less in the former case and half a million less in the latter, than if his proposal were rejected.

In reviewing the financial provisions of the Union, measuring their consequences, and considering how they were interpreted and applied, the Ministerial pledges and declarations on which the Act was passed are evidence essential to the case.

Financial Effect of the Union on Ireland, 1801-1804.

SIXTEEN YEARS—1801-17—APPLICATION AND EFFECT OF THE UNION FINANCIAL PROVISIONS—INCREASE OF TAXATION.

The financial system primarily enacted, namely, that of separate charges for pre-union debts and contribution, in the ratio of 15 parts for Great Britain to two parts for Ireland, to all other expenditure, was nominally applied for 16 years, but it was not administered during any part of the time in accordance with the Treaty and Acts of Union. In those 16 years (1801-17), the taxation of Ireland rose from 2½ millions in 1801-2 (a sum exceeding by £200,000 Lord Castlereagh's estimate of the reasonable maximum yield of Irish taxation) to over 6 millions in 1815-16, and the average taxation for the entire period was nearly 4½ millions per annum.

The 16 years, except the first year or two, and the last, were years of war. If a million a year had been saved in time of war by reduction of the war expenditure of 1799, as Lord Castlereagh had so positively engaged, the gross expenditure chargeable to Ireland for the 16 years would have been 70 millions. The expenditure actually charged against her for the period was no less than 160 millions, an average of 10 millions a year.

MULTIPLICATION OF DEBT—OF DEBT CHARGE.

Mr. Pitt guaranteed Ireland against "a load of debt," but to her pre-union debt of 28 millions in those 16 years 113 millions were added. The annual charge for Irish debt, which was a million and a quarter at the Union, had mounted in 1816 to 6½ millions, being a million and a half in excess of the whole tax revenue of Ireland, though that revenue was now forced up by incessant increase of taxes to nearly treble what Lord Castlereagh had fixed as the heaviest burden that could be reasonably imposed on Ireland by taxation.

RATE PER HEAD QUINTEPLED IN 20 YEARS.

The rate per head of taxation, which had been 4s to 5s 20 years before, and 10s at the Union, was a £1 in 1816. Ireland, both in war and peace, was officially assured of saving and profit by the Union scheme of finance, but in 16 years it had dragged her down to so low a position that not only was she unable to provide from her more than doubled revenue any part of five millions a year, the average charge upon her for joint expenditure, but money had to be borrowed to make up the amount of her separate charge for debt, which even her inflated revenue had now become inadequate to defray.

GREAT REDUCTION OF PUBLIC EXPENDITURE AFTER 1816.

After 1816, when the system of contribution by quota was discontinued, the expenditure of the United Kingdom (which corresponded with the sum of the separate and joint expenditures of the two countries under the system of separate exchequers), of course, diminished greatly, the war being at an end. The average expenditure for the 16 years succeeding the Union had been 91 millions. The maximum was 130 millions in 1815. In 1819-20 expenditure had fallen to 74 millions; by 1825 to 60 millions; in 1834-5 to 48 millions, and in 1839-40 it stood at 53 millions, at about which level it remained till the time of the Crimean War. For about a third of a century, therefore, after the abolition of the quota system, expenditure was less than half what it had been in the later years of the great war, and not very much more than half what had

been the average annual expenditure during the period of that protracted struggle.

BUT NO RELIEF TO IRELAND—COURSE OF BRITISH AND IRISH TAXATION.

But neither the adoption of common taxes in 1817, nor the great reduction of expenditure from that time forward, brought Ireland any relief from her burden. The gross taxation levied in Ireland for the 16 years, 1801-17, had amounted to 70 millions, an average charge of 4½ millions per annum.

SIXTEEN YEARS, 1818 TO 1833.

The net receipts of revenue collected in Ireland during the next 16 years (1818-1833) amounted to 75 millions. After the abolition of separate customs establishments in 1824, the duties collected in each of the countries no longer corresponded with the actual consumption in each, because duty was paid, to a certain extent, in each country on goods eventually consumed in the other. The Treasury have made elaborate and intricate calculations, with the object of estimating, for each decennial year, from 1820 to 1890, the amount of what they term the "true" revenue of Ireland; that is to say, the revenue which includes, as duties on commodities, not the amount of such duties collected in Ireland, but the amount of such duties paid in respect of commodities actually consumed in Ireland.

"TRUE" REVENUE.

Taking these calculations and estimates as the only material of the kind available for the present purpose, and applying the Treasury adjustment to the decennial years 1820 and 1830, and averages to the other years between 1818 and 1833, the result is that the revenue collected in Ireland during those 16 years of peace, amounting, as stated above, to 75 millions, is increased to a "true" net revenue of 82 millions, or over 5 millions a year, as compared with a total average revenue from taxes of 4½ millions, and a gross average revenue, from all sources, of 4½ millions, during the preceding 16 years of war. The annual average expenditure of Great Britain and Ireland, together, had been 91 millions during the earlier period, and had reached 120 to 130 millions during its closing years. The corresponding expenditure of the United Kingdom during the later period fell rapidly to 75, to 80, and even to 50 millions; and the burden of Great Britain, the wealthy partner, increasing in riches, was correspondingly lightened. The average British revenue of 58 millions from 1801 to 1817 fell to an average of 51 millions from 1818 to 1833, but the Irish average of 4½ millions in the former period was still further forced up to over 5 millions in the latter, although the expenditure to be defrayed was so greatly diminished, and although the failure of the later increases of taxes in Ireland, as contrasted with their ample yield in Great Britain, had made it manifest that the war burden of 4½ millions was as severe upon the poorer country as that of 58 millions had been easily borne by the expanding resources of the richer.

SIXTEEN YEARS, 1834-49, EXPENDITURE AND TAXATION.

In the next period of 16 years (1834-1849), marked towards its close in Ireland by the loss of the British market for cereals through Corn Law repeal, the failure of the potato crop, the consequent great famine, and the beginning of an unparalleled emigration, the expenditure of the United Kingdom, about 50 to 55 millions a year, was lower upon the whole than it had been in the previous period. Again, the British burden, which had averaged 58 millions in the first period, and 51 in the second, was reduced to 48 in this third period; whilst the Irish average of 4½ millions in the war period (when expenditure averaged 90 millions a year) which had been driven up to about 5 millions per annum between 1818 and 1833, now stood (according to Treasury computations) at £5,200,000, from 1834 to 1849, within which period Ireland, passing through the severest ordeal recorded in modern history, was nevertheless obliged to submit to increasing pressure of taxation.

SIXTEEN YEARS, 1850-65, EXPENDITURE AND TAXATION.

In the next term of 16 years (1850-1865), Ireland, recovering slowly from the effects of the famine, lost one-third of her population, and had a difficult struggle with the changed conditions of industry resulting from the repeal of the Corn Laws, whilst Great Britain continued to make uninterrupted progress in population, and still more rapid advance in wealth. In this period Ireland was subjected to income tax, and her spirit duty was quadrupled. The additional burden thus imposed amounted to about 2 millions of pounds per annum. The expenditure of the United Kingdom increased from between 50 and 55 millions to between 55 and 70 millions. The average revenue of Great Britain increased from 48 to 53 millions, and that of Ireland was augmented, in the same proportion, from £5,200,000 to £6,400,000. The average revenue of Great Britain was no more than it had been at the opening of the century (in the period of the French war), but the average revenue of Ireland, then short of five millions, was now greater by one-third, and this heavier charge had to be borne by a diminished population out of narrowed means. The average rate per head of gross revenue in Great Britain which had been about 45 at the Union, and 45 in the French war period, was now only about £2 10s, whilst the Irish rate, 4s before the Union, 10s at the Union, and about 15s during the post Union war, was now about £1 5s. The extent to which pressure was lightened, in process of time, on the people of Great Britain, and continually made severer on the people of Ireland, is exhibited in a statement of Sir Edward Hamilton (Vol. II, App. p. 191), showing that the rate per head of all taxes on commodities fell in Great Britain between 1820 and 1860 from £2 8s 7d to £1 11s 7d, but rose in Ireland within the same forty years from 11s to £1 0s 7d. The wealthier country was taxed less and less as it became more wealthy; the poorer country was burdened more and more as its poverty increased.

SIXTEEN YEARS EXPENDITURE AND TAXATION.

From 1866 to 1881—the next sixteen-year period—the expenditure of the

United Kingdom further increased from between 55 and 70 millions to between 70 and 84 millions; the average revenue of Great Britain from 59 to 68 millions; and the average revenue of Ireland from £6 400,000 to 74 millions. The inequality of pressure, as between Great Britain and Ireland, continued still further to increase, for, as Sir Edward Hamilton shows, the gross rate per head in Great Britain between 1860 and 1880 fell from £2 10s 0d to £2, whilst that of Ireland remained practically unchanged; and the British rate per head of taxes on consumption fell from £1 11s 7d to £1 3s 7d, whilst the Irish rate remained substantially unaltered.

1882-94—EXPENDITURE AND TAXATION.

In the final period, from 1882 to the present time, the expenditure of the United Kingdom has increased from between 70 and 84 millions to between 84 and 100 millions. These vast figures once more irresistibly suggest that no fixed proportion of liability for an ever-increasing expenditure can equitably protect the stagnant income and attenuated surplus of Ireland, unless governed by the qualifying provision that no more than a certain annual sum should under any conditions be exacted. The increase of expenditure in this and preceding periods was chiefly met by increase of post office and other non-tax revenue. The average revenue of Great Britain (down to 1893-4) increased to 84 millions, from 68 in the preceding period; and the average revenue of Ireland from 74 to 74 millions. The growth of British revenue represents but an insignificant fraction of the increment of British wealth and income, for in the last 30 years or so the income of Great Britain, from both capital and wages, has approximately doubled; but in Ireland the very small apparent increase in the income tax assessment represents no real advance, when the unrevised valuation of land and the recent great increase of absenteeism are taken into account, whilst the same period has witnessed a vast decline in agricultural values, and a consequent disastrous loss of income to the mass of the Irish people, now, however, reduced in number to about one-half of the total of 50 years ago.

1801-1894—PLEDGES AND RESULTS COMPARED.

The framers and promoters of the Treaty and Acts of Union, Mr. Pitt and Lord Castlereagh, took credit for their proposal as one of self-sacrifice on the part of Great Britain, and of great and certain advantage to Ireland. It was guaranteed to infuse much wealth into Ireland, but the poverty of Ireland has undoubtedly increased. The want of industry and capital was to be supplied by the Union; but under the Union capital has diminished, and industrial activity has calamitously declined. Ireland was to save a million a year in war, and half a million a year in peace, but during the time of war (the first 16 years of the century) her taxation was doubled, her expenditure was more than doubled, and in the 30 years that have since elapsed, a period of almost uninterrupted peace, the scale of her taxation has never been diminished, but, on the contrary, has been increased continually down to the present day, and, in the latest period, has reached the highest point. The Union was warranted at least as an absolute assurance against increase of debt and augmentation of taxes, but in sixteen years it multiplied the Irish debt fivefold and in 96 years it has pressed up the pre-Union maximum of 2½ millions, which Lord Castlereagh considered the reasonable limit, to nearly 7 millions a year, the pressure continuing without cessation, in peace as well as in war, in famine as in plenty, whether expenditure rose or fell, and whilst population diminished even more than in the time when it increased. Ireland, under the Union, was only to be taxed in its accustomed proportion. The British taxpayer in 1800 paid £3 per head, the Irish taxpayer, 10s. The rate per head of the British taxpayer is now only £2 4s 10d, nearly one-third less than at the date of the Union, though the wealth of Britain is at least five times as great; and the rate per head of the Irish taxpayer is now £1 8s 10d, nearly treble the former amount, though Irish resources never expanded after the Union, and in the last half century have certainly materially declined.

IRISH REVENUES IN THE PRESENT CENTURY—DECLINE OF COMMERCE, TRADE AND INDUSTRY FROM THE PERIOD OF THE UNION.

The capital and income of Ireland undoubtedly increased in the last 20 years of the last century, for there was a remarkable development at that time (as testified by Lord Clare) of her manufactures, her commerce, and her trade. But nothing appears to indicate any later expansion of the elements of wealth in Ireland. There is evidence, on the contrary, as already noted, that her capital was much larger about the opening of the century than it is at the present time. This observation accords with well-known facts, for the Irish export trade, which, about the close of the last century, was of considerable extent and value, soon after ceased to exist. The manufacturing industries, at one time thriving in various forms, not only in the chief centres of population, but in the smaller towns and villages; and also the domestic industries diffused amongst the rural population, declined and disappeared with the advance of organization in the industrial development of Great Britain.

INCREASE OF POPULATION TILL 1845.

Till close upon the middle of the century, precisely, till 1845 the year of the beginning of the famine, the population of Ireland continued to increase almost as rapidly as that of Great Britain. The respective numbers were 5 millions and 10 millions in 1800, 8½ millions and 20 millions in 1845.

But the increase of population in Ireland, from 1800 to 1845, was accompanied, not by an increase, but by a diminution of the sources of income; manufacturing industry, trade, and commerce, having failed, and agricultural resources being necessarily limited, at all periods, by the extent and quality of the soil.

UNPARALLELED FALL IN POPULATION SINCE 1845.

Since the middle of the century the population has declined from 8½ millions to 4½ millions, a fall unparalleled in the

history of modern civilization. This decline, beginning in a flight from famine, has continued to the present day, owing to the economic revolution, resulting from the repeal of the Corn Laws, which by greatly limiting agricultural employment also greatly reduced the means of subsistence for the people; and in Ireland this result, in the harshness of its operation, has not been mitigated by increase of any non-agricultural resource. The reduction of the population of Ireland has proceeded concurrently with a diminution of means which is scarcely less remarkable than the exodus itself.

GREAT FALL IN AGRICULTURAL VALUES IN THE LAST FORTY YEARS—NO COUNTER-BALANCING RESOURCES IN IRELAND.

This latter fact is exhibited in the statement with regard to the values of output of Irish agriculture for certain periods presented to the Commission, in connection with his evidence, by the Registrar General for Ireland. Criticism as to the basis of calculation does not affect the comparative value of calculations for different periods made upon the same basis. The statement in question shows that the annual value of crops, of stock, and of the products of stock, fell off approximately between the quinquennial period 1851-5, and the quinquennial period of 1884-8 from 72 millions to 54 millions per annum; a decrease of not less than 18 millions, or one-fourth of the entire total. It is admitted, and is proved by its course of prices, and by the recent fixing of rents, that there has been a further considerable decline in value since the latter of these quinquennial periods. Three or four non-agricultural industries developed in recent times—shipbuilding and the manufacture of linen, spirits and beer—do not afford employment except in Belfast to any appreciable fraction of the people. No general resource whatever exists to counterbalance, or even to mitigate the disastrous decline in agricultural value.

GROWTH OF BRITISH POPULATION.

Whilst the population of Ireland since 1845 has fallen away from 8½ millions to 4½ millions, and is thus at the end of the century half a million less than it was at the beginning, the population of Great Britain in the same period has gone on increasing from 20 millions to 35 millions (as compared with 10 millions at the date of the Union), so that the British people have nearly quadrupled in number, whilst the Irish people have actually diminished by half a million in the course of the last 100 years.

MORE RAPID GROWTH OF BRITISH WEALTH.

The growth of the British people has been exceeded throughout the century by the growth of their capital and income. In the present generation the increase of the British population has been about one-third. The British gross assessment to income tax has more than doubled. The whole British income has also approximately doubled within the same period. The increase in real average wages has very remarkably kept pace with the increase in real average income, and thus it is made manifest that the marvelous development of British property has been generally diffused throughout the whole community of Great Britain.

RELATIVE TAXATION PER HEAD AT THE SEVERAL PERIODS.

But so contrary in Great Britain and Ireland respectively has been the proportion of taxation during the century to the state of resources in the several periods that the British rate of taxation per head, which at the Union, as has been shown, was £3, and during the succeeding war reached an average of close upon £5 per annum, is now but £2 4s 10d, whilst the Irish rate per head, which from 1782 to 1793 was about 4s, at the Union 10s, and during the post Union war on the average 14s 6d, is now no less than £1 8s 10d.

Even these remarkable figures do not disclose the full extent of the excessive pressure of burden on the great mass of Irish as compared with British taxpayers. The course of fiscal reform, which has placed nearly half the British burden on property, has still left the Irish consumers of commodities—that is, the Irish people at large—to pay more than three-fourths of the whole revenue. Taxes on property being proportioned alike in each country to the value of the property or amount of the income may for the moment be put aside. Taking the taxes on commodities, which alone directly affect the masses of the people, it is found that the British rate per head, which 70 years ago was £2 8s 7d, is now but £1 4s 1d, whilst the Irish rate per head has gone up in the same period from 1s to £1 2s. To this result has worked out the system of "indiscriminate taxation" imposed by "equal rates." Since the close of the French war the burden has been reduced by one-half for the British taxpayer, but for the Irish taxpayer the weight of it has been doubled, notwithstanding the pledges of ministers, in urging the Bill of Union, that Great Britain would make a sacrifice; that her taxes would not increase; that 2½ millions would be the maximum of her peace taxation; that her burden would not exceed the amount of her own necessary expenses at that time, and that she would never be called upon to pay beyond her "accustomed proportion."

PITT'S DICTUM.

The manifest justice of the principle that two countries of different wealth are not equally burdened if they are taxed in the same proportion to the whole of their incomes was frankly admitted by Mr. Pitt in his speech of 1785, already quoted in this report. His mode of expressing the principle was that if one country has double the wealth, population, and commerce of another, the former can bear nearly ten times as great a burden as can be borne by the latter. The evident meaning is that what people require to barely sustain life should not be reckoned in estimating their capacity to bear taxation, and that a people twice as rich as another may have ten times as much left over when both have provided the simple necessities of life, and therefore may have ten times as large a fund out of which to provide a revenue for the State. The poorer people must spend upon necessities nearly the whole of their income; the richer may have the bulk of their income to spare, and it is

the degree of pressure upon what can be spared that indicates the equity or injustice of taxation.

ITS APPLICATION.

At the period of the Union, Great Britain had doubled the population of Ireland, far more than doubled the wealth, and many times as much commerce. It follows that her relative ability at that time as compared with Ireland was much more than ten to one. A million formed a larger part of the narrow Irish margin than 10 millions did of the British surplus, and between 1801 and 1817 it was made manifest, and was fully acknowledged, that Ireland could not possibly raise one million for every ten millions easily yielded by Great Britain. Every new increase of tax in Great Britain brought in much more than was expected by official experts, but many of the increases in Ireland returned nothing, and some of them caused a loss by reducing the yield of revenue below the level at which it stood before they were imposed. There could be no doubt the burden of Great Britain was exceeded by her taxable capacity, and, on the contrary, that the taxable capacity of Ireland was exceeded by her burden.

IRISH INCOME AND TAXATION AT AND SINCE THE UNION.

As the population of Ireland was greater before and at the Union than it is at the present day, and as that larger population possessed the same natural resources as those existing now, and also enjoyed the profits and wages derived from extensive manufactures and considerable foreign trade which have long since vanished out of existence, the inference to be drawn is that the income of Ireland was probably not less at the period of the Union than it has been in later times. But the taxation extracted from Ireland has increased from a million under the Irish Parliament, in the era of peace, from 2½ millions, under the pressure of war and martial law, before the Union; from 4½ millions in war times, after the Union; to about 7 millions now; and these successive great increases have been abstracted from an income which cannot have improved much in the first half of the century, and has certainly fallen off greatly in the second, and from a surplus, which, having regard to the inelasticity of income, at the best of times, must have become more meagre as the advance of civilization has made larger demands in respect of the necessities of life. Lord Castlereagh's maximum of 2½ millions has been trebled; a smaller population have to pay the treble sum; their resources have diminished since the days of Lord Castlereagh; and the march of civilization, whilst it has not given them more to earn, has left them less to spare.

BRITISH INCOME AND COMPARATIVE TAXATION AT AND SINCE THE UNION.

It is admitted that in Great Britain the increase of population since the Union—from 10 to 35 millions (between treble and quadruple)—has been much exceeded by the increase of wealth in all its forms, of capital, income, and wages. The annual wealth of Great Britain at the lowest estimate is now 1,400 millions. As her wealth has increased even more rapidly than her people, her income at the Union cannot have been as much as one-fourth of her present income; not more at the utmost than 300 millions. Upon this basis it would appear that just before the Union Great Britain paid in taxes, two shillings for every pound of her income, and now pays about one shilling in the pound. Ireland before the Union was much more lightly taxed than Great Britain, and the Union, so its promoters declared, was enacted for her advantage, and to guard her against increase of burden, but, as the Union has been employed by the Imperial Parliament, every pound of income earned in Ireland pays twice as much in taxes as a pound of British income. To judge of the full extent of the inequality of exaction, surplus, not income, must be regarded. Of every pound of Irish surplus, about 10 shillings are taken in taxes, whilst of every pound of British surplus not quite two shillings are demanded by the State.

Modes of Increase on Irish Taxation.

BEFORE THE UNION.

It is desirable now to indicate the methods by which Irish taxation has been increased from a million in the time of Grattan's Parliament to about seven millions (as computed by the Treasury) at the present day:—

FROM 1793 TO 1800.

The British Government practically dictated the increased expenditure in Ireland after 1793, when the war with France began. The Irish ministers were, in fact, the nominees, and, in reality, the colleagues of the British, and held their offices independently of the will of the Irish House of Commons, and even of its existence. War, insurrection, military occupation and martial law were the elements of the situation, and the Irish Parliament probably considered that it had no option, but was obliged to vote whatever the British Government, through its Ministers in Ireland, demanded. Taxation was forced up from a million to two and a half millions, and expenditure to more than double that amount in the years before the Union. Sir Edward Hamilton calculates that the extra military expenditure charged against Ireland in sixteen millions—ten millions for the war with France and six millions for the insurrection and its sequel. It can scarcely be contained that either the prosecution of the war with France, the suppression of the insurrection, or the maintenance of military occupation and martial law during the passing of the Bill of Union, represented an interest exclusively Irish; but only by this contention could the charge upon Ireland of the whole expenditure incurred there, by the will of the British Government, for those purposes, be justified or explained. The purposes, one and all, were primarily and mainly British, yet the whole of the extra charge, including not only the 10 millions expended by reason of the war with France, but also the temporary charge for the insurrection, and for the vast force maintained in Ireland during the passing of the Union, was unwarrantably reckoned by Lord Castlereagh