THE PUBLIC FINANCES OF IRELAND.

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It is the aim of this paper to notice as simply as possible the changes produced by the War conditions in the revenue and expenditure of Ireland: as these are exhibited in the annual returns popularly known as the "Treasury White Paper." There are always, of course, two White Papers; but one of them is a preliminary computation which leads up to the other. The principal White Paper is that entitled "Revenue and Expenditure (England, Scotland, and Ireland)," of which the latest issue is for the financial year ended March 31, 1919. (H.C. No. 163 of 1919, price 2d.) The other carries the clumsy title, "Imperial Revenue (Collection and Expenditure) (Great Britain and Ireland)"; it is mainly a computation by which the Revenues as actually "collected" in Great Britain and Ireland are adjusted so as to estimate the "true" Revenues really paid by the inhabitants of those two islands; but it also prints a retrospect of the figures for both Revenue and Expenditure over past years back as far as 1819. (Latest issue is H.C. No. 162 of 1919, price 3d.)

I.—The White Paper on Financial Relations.

Whenever we use these White Papers we should pause to remind ourselves of the origin, the artificial character, and the quite unconstitutional validity of these seductive official documents. The financial relations of England, Scotland and Ireland are so complicated that everyone welcomes the simplified statistical statement which these documents present with all the authority of the Treasury. This simplification has been achieved, however, by making numerous artificial assumptions to which a casual reader may remain wholly inattentive.

Many of these assumptions, on the Revenue side of the account, are innocent enough: being merely a process, based on sound statistical principles, for estimating the true figures of "revenue contributed" wherever the actual figures of the "revenue collected" are obviously insufficient until further adjusted. Formerly, there was a good deal of suspicion in Ireland about the cryptic methods used by the Treasury staff in making out their estimates of the "true" revenue really paid by each country. But the investigation into the matter, made publicly and thoroughly in 1911, by the Committee on Irish Finance (known as the Primrose Committee) has now satisfied everybody that the adjustment of the Revenue figures in the Treasury White Paper is properly done: so there the estimated figures must be accepted as being as close to the realities as the available statistical material can enable us to get. In other words, the reports of that Primrose Committee (Cd. 6153 of 1912, price 3½d.; and Cd. 6799 of 1913, price 2s.) are the explanatory primer which must be read by anyone who seeks to understand the Treasury White Paper. It may, however, be remarked that fresh doubts have lately arisen as regards Revenue since the War: owing to the large commercial operations of Government Departments in the purchase and sale of food stuffs and raw materials, with the object of controlling prices and distribution. Whether the large profits made by these Departments in the course of this control have been properly brought into account, and allocated as revenue derived from particular portions of the United Kingdom, is a matter upon which I can express no opinion; but it would be very advantageous if the public could now be supplied with the fullest information about this very indirect form of non-tax receipts. In the Miscellaneous Non-Tax Revenues for 1918-19, there occurs an item called "War Contributions," amounting to £40,371,000; but this is not allocated as between England, Scotland, and Ireland, *i.e.*, it is placed under the category of "Derived from other Sources." How much revenue has Ireland contributed in that item?

When we turn to the Expenditure side of the account—where, of course, we have to do with Exchequer Issues, not with the final or audited expenditure—we find in the White Paper that the whole expenditure of the United Kingdom has been sub-divided therein into four distinct expenditures described as expenditure for English, Scottish, Irish and Imperial Services respectively. In the words of the original White Paper (H.C. No. 329 of 1891):—"All items of expenditure have, as far as possible, been divided between the three kingdoms according as expenditure is incurred on English, Scottish, and Irish services, *without there being drawn any inferences* as regards the equity of the contributions or the advantage derived from the expenditure." In the picturesque language of Sir Edward Hamilton, an item of expenditure is deemed to be "for the special use of Ireland" if the item would "disappear supposing Ireland were sunk beneath the sea." This is quite a good plan *if the only consideration be the making out of an account* of what the governing of Ireland is costing the United Kingdom. But unless we bear that one purpose in mind we may be misled, for it leads to some curious and unsuspected consequences. I will give three examples. (1) The cost of the Lord Lieutenant is taken as Irish: but the cost of the Crown is not English—it is taken as Imperial. (2) We have been always told, down to 1891, that the cost of the Royal Irish Constabulary was an Imperial Charge: but the White Paper at once classified it as an Irish Charge. (3) We have heard that Great Britain had advanced many millions of pounds to carry through a scheme of Land Purchase for Ireland: but the White Paper shows that every penny of the cost has been assigned as a charge on Ireland. Even when the English Parliament has by legislation expressly conferred an absolutely " free gift " upon certain people in Ireland (*e.g.*, the £12,000,000 granted under Clause 47 of the Wyndham Land Act, 1903: to form a " Land Purchase Aid Fund " which was to add 12 per cent. to the price the landowner would get above what the tenant could agree to pay him), then the Treasury White Paper shows that the " free gift " is wholly charged against the recipient, Ireland—it can never be charged there against the generous giver, England.

Now, as I said, this is all right if we are only " making out an account," and that too " *without there being drawn any inference.*" But are no inferences being drawn? Suppose, as in some recent years, the expenditure on Irish Services happened to exceed the estimated " true " revenue contributed by Ireland: then the inference has been widely drawn that Ireland was insolvent. Let us stress the significance of the mere fact that this one inference has been drawn and has been accepted everywhere—even in Ministerial circles. It means that this seductive little White Paper has now so fastened upon itself the attention of everybody that it operates on the public mind just like as if it were an Act of Parliament which had repealed the Act of Union between Great Britain and Ireland and also the Act of 1816 that consolidated the two Exchequers. That may seem a somewhat startling statement; but not to those who understand me. It is high time that we recall to mind that the White Paper has behind it the authority of no Act of Parliament, that it is nothing more than a statistical exercise which a few Treasury officials have worked out on a plan of their own devising by way of " making out an account."

II.—Financial Rights of Ireland under the Union.

For the sake of a truer perspective, I want to interrupt myself just here while I briefly relate the constitutional privileges in matters of finance which are guaranteed to Ireland under the Act of Union. They are defined in Article VII. of the Union.

The fundamental arrangement therein accepted by England is that (after certain circumstances have arrived, as specified) "it shall be competent to the Parliament of the United Kingdom to *declare*" that a new system of indiscriminate finance shall thenceforward obtain. This new system is described as one of "contributing indiscriminately, by equal taxes imposed on the same articles in each, to the future expenditure of the United Kingdom." Then follow the words—"That, *from the period of such declaration*, it shall no longer be necessary to regulate the contribution of the two countries towards the future expenditure of the United Kingdom, according to any specific proportion, or according to any of the rules hereinbefore prescribed." Furthermore, it is expressly stated, as a protection for Ireland, that this system of indiscriminate taxation, when it is in operation, shall be subject to two limitations, namely:—(1) "Such particular exemptions or abatements in Ireland, and in that part of Great Britain called Scotland, as circumstances may appear from time to time to demand"; (2) "In regulating the taxes in each country, no article in Ireland shall be made liable to any new or additional duty, by which the whole amount of duty payable thereon would exceed the amount which will be thereafter payable in England on the like article." (English Statutes, 39 & 40, Geo. III. c. 67.) In short, the tax in Ireland may equal, but must never exceed, the like tax in England.

Now, some four Committees of Parliament from 1811 to 1815 had reported that the specified circumstances had arrived which made it competent for Parliament *to declare* for indiscriminate finance. Then by a statute of 1816 Parliament "declared" and set up this indiscriminate finance: the same statute also amalgamated the two Exchequers as from 5th January, 1817 (56 Geo. III., c. 98). Pursuant to that Act all revenues in Great Britain and Ireland now constitute one general fund, called the Consolidated Fund of the United Kingdom; and *that fund has to be charged with and indiscriminately applied* to (1) the respective services of the British and Irish debts; (2) the Civil List; (3) all other services previously charged on the separate Consolidated Funds of the two Kingdoms; and (4) supply services of the United Kingdom.

This word "indiscriminate," of course, rules out any discrimination on geographical lines. Let us thoroughly understand that it applies alike to Revenue and Expenditure. In words once used by Lord MacDonnell: "The contract which England has made with Ireland is not unilateral but bilateral. Under the Act (of 1816) indiscriminate taxation goes hand in hand with indiscriminate expenditure in both countries. If England imposes indiscriminate taxation on Ireland, as she does, Ireland has the right to claim indiscriminate expenditure. The proceeds of Irish and British taxation flow into one Consolidated Fund, and the claims on that fund of each part of the United Kingdom are not limited by that part's contribution to it, or by geographical considerations: they are limited only by that part's necessities, and by the capacity of the fund to satisfy them, consistently with meeting the necessities of the other parts." (Address to the Institute of Bankers in Ireland, November 30, 1911: *Journal* of said Institute, dated January, 1912.)

One further point may be noted before I resume. There was nothing in the Act of Union about any future amalgamation of the two Exchequers. On the contrary, it laid down that even when indiscriminate finance came into operation and the contribution to joint expenses in any fixed proportions was ended, yet the "separate debts" of the two countries were still to be provided for by separate Budgets. Now, the Act of 1816 went further: for it united the separate debts, in order to have in the future but one Budget for the United Kingdom. This taking over of Ireland's separate debt by England is what Mr. Spencer Walpole's "History of England" (Vol. I., p. 415) has called "the greatest boon ever conferred by one people on another." Let us understand what occurred. The cash value, at the current prices of 1816, of the entire separate debt of Ireland was worked out for the Select Committee on the Taxation of Ireland in 1864, and it was found to be £86,992,931. (See H.C. No. 513 of 1864, Appendix 14, p. 410.) That included funded and unfunded liabilities, viz.:—(1) *Permanent Debt Stock* of £113,680,158 nominal, valued at £78,825,724; (2) *Terminable Annuities*, valued at £2,862,592; (3) *Exchequer Bills*, valued at £5,304,615: making the total of £86,992,931. Ireland was "relieved" of the burden of this separate debt: she was then made to pay it three times over. The inexorable White Paper has shown how it was done. It sets out the true revenue contributed by Ireland and the separated expenditure upon Irish Services for each tenth year back to the year 1819. (See H.C. No. 313 of 1894.)

IRISH FINANCE AFTER 1817.

Single Year.	True Revenue.	Irish Expenditure.
1819-20	£5,256,564	£1,564,880
1829-30	5,502,125	1,345,549
1839-40	5,415,889	1,789,567
1849-50	4,861,465	2,247,687
1859-60	7,700,334	2,304,334
1869-70	7,426,332	2,938,122
	£36,162,709	£12,190,139

These tenth years are set out as sample years in the White Papers since. (H.C. No. 162 of 1919.) We must multiply by ten to obtain approximately the whole contribution of Ireland to the Consolidated Fund of the United Kingdom during those fifty years, and the whole expenditure on Irish Services met by the same Consolidated Fund during the same period. The Consolidated Fund received 360 millions sterling from Ireland and spent 120 millions sterling upon Ireland, retaining a profit of 240 millions sterling. Comment, in the "breezy" style of Lord Fisher, might be: "How is that for boon? I don't think!"

III.—Conclusion as to Irish Expenditure.

My purpose in making this digression must now have become evident: I wanted to show how unconstitutional is the process by which, in their White Paper, the Treasury had presumed to sub-divide the whole expenditure of the United Kingdom into four distinct expenditures, described as for English, Scottish, Irish, and Imperial Services respectively. That is not to belittle its utility as an analysis of the financial relations at the moment. But a knowledge of the constitutional position of Irish finance, as that position was set up by the Act of 1816, is necessary to avoid misleading inferences being drawn from the White Paper as to the solvency or otherwise of Ireland. The relative dimensions of Ireland's Revenue and Expenditure, as shown in this White Paper, gives us no information whatever as to Ireland's solvency—the plain truth of the present position being that Ireland cannot be insolvent so long as the Consolidated Fund of the United Kingdom remains solvent.

To return to the process by which the Treasury has drawn up what it describes as " expenditure on Irish Services," the principle applied was examined carefully by the Primrose Committee; and I will quote their deliberate verdict—the italics being mine. Their report declared " that the method of classification adopted by the Treasury appears to us, *for the purpose that the Return is intended to serve,* to be sound and, indeed, the only one appropriate." (p. 3.) " All that inclusion of a service in the Irish column means is that the service is, *as a matter of fact,* an Irish service. To have sought to convey more than this . . . would have been inconsistent with the principle on which an account or a statistical statement must be drawn up. In neither is it legitimate to arrange figures so as to show not merely facts, but also the deductions that the framer may desire to see drawn from the facts. *The presentation of facts and the drawing of deductions from them are separate processes which should be kept distinct or error and confusion are certain to result.* From the point of view of the present inquiry "—(*i.e.*, Primrose Committee)—" it seems to us that *the purpose* of classifying expenditure as local or Imperial *must be regarded simply as a means of supplying the material for determining* what charges must be provided for in Imperial and Irish votes respectively, in the event of the grant of local autonomy for Ireland." (p. 8, Cd. 6153 of 1912.)

We come, then, to the conclusion that, " *for the purpose that the Return was intended to serve,*" the Treasury White Paper is right enough: its purpose is merely to assist the Government in drafting a workable measure of Home Rule. In the year 1890, Mr. Goschen appointed a Committee on financial relations, with a view to an equitable balance being found for " *grants in aid* " to the three parts of the United Kingdom. That Committee held just one meeting, at which the Treasury was asked to prepare a summary statement for its future consideration. Then a General Election intervened, and that Goschen Committee never met again. When the statement of the Treasury was ready there was no Committee in existence to receive it. So the statement was simply laid before the House of Commons, and was printed as No. 329 of 1891. Such was the almost accidental origin of this famous White Paper: first drafted by Sir Reginald Welby, afterwards Lord Welby. For the Home Rule debates of 1893 the White Paper was reprinted, in an improved form, as No. 93 of

1893: after which date it became an annual return. The other White Paper (computing the "true" revenue) first appeared as No. 313 of 1894; and it also became an annual return. Now that this White Paper has reached its twenty-eighth annual issue, many people have forgotten its original limited purpose; and it has become invested with all the sanctity and authority of an accepted constitutional instrument which had itself settled and defined the financial relations of these three Kingdoms. But, of course, the Treasury never made any such claim for it. The White Paper is not a constitutional instrument at all, and has never settled or defined anything: it is an approximate statement of the facts at the moment, based on numerous artificial estimates and assumptions because these provide the only means by which the real facts can be even guessed at.

IV.—The Irish Surplus.

An Irish surplus means nothing in finance except the arithmetic fact that the true revenue obtained from Ireland has happened to exceed the expenditure on Irish services. It is sometimes called Ireland's "contribution" towards Imperial Expenditure, because it is disposable by the Exchequer. But Ireland is, at present, under no constitutional obligation to pay any such "contribution"; and it is the merest accident whether Irish revenue and Irish expenditure balance or not. "Since 1817, the Exchequer of the United Kingdom has taken whatever revenue Ireland has yielded, and in return has accepted responsibility both for the capital liabilities and for the administrative expenses of Ireland; and, in consequence, Ireland's contribution to Imperial expenditure has been represented by the amount by which her true revenue has exceeded her own local expenditure." (Primrose Report, Cd. 6153 of 1912). As for "capital liabilities," I have shown that Ireland has discharged them in full by the huge surpluses previous to 1870. Since that year, 1870, Irish expenditure has been catching up upon Irish revenue, and finally passed it when the cost of Old Age Pensions began in 1909. Then for five years running there was a deficit, and the British Exchequer had to "contribute" to Ireland. In this period the two years, 1909-11, must be added together and the totals halved to get the mean of the two years: because the rejection by the House of Lords of Mr. Lloyd George's first Budget delayed the collection of revenue for the year 1909-10. The recent War Taxation has so greatly increased

Irish revenues that the period of deficits ended after 1914-15, and we have now had four years with huge Irish surpluses. This transformation is visible in the following figures (from the White Papers)—viz.:

IRISH REVENUE AND EXPENDITURE.

Year.	True Revenue.	Local Expenditure.	Balance.
	£	£	£
1907-8 ...	9,621,000	7,810,000	+ 1,811,000
1908-9 ...	9,250,500	8,667,500	+ 583,000
1909-11 ... (*mean*)	9,931,000	11,029,000	− 1,098,000
1911-12 ...	10,688,000	11,533,500	− 845,500
1912-13 ...	10,731,500	12,137,000	− 1,405,500
1913-14 ...	11,134,500	12,357,000	− 1,222,500
1914-15 ...	12,389,500	12,656,000	− 266,500
1915-16 ...	17,929,000	12,597,000	+ 5,332,000
1916-17 ...	23,766,500	12,686,000	+11,080,500
1917-18 ...	26,865,000	13,002,000	+13,863,000
1918-19 ...	37,275,000	22,161,500	+15,113,500

Caution is needed when making comparisons between the later years in this table. In the last two years Irish expenditure did not jump from £13,002,000 to £22,161,500, as the table shows. Everybody knows that the War was financed out of lump sums called "Votes of Credit." But besides paying for the operations of warfare, these Votes of Credit have also been paying for certain forms of Civil Government expenses which were incidental to War conditions: such as *War Bonus* to aid the the salaries of Civil Servants, increased scale of *Old Age Pensions*, *Out-of-Work Donations*, and the *Bread Subsidy*, to keep the price of the loaf from soaring. Evidently this part of the expenditure from Votes of Credit was shared by England, Scotland and Ireland in amounts that could be separated and allocated as local expenditures. This was not done in the White Paper until last year: but in 1918-19 the Exchequer Issues from Votes of Credit, totalling at 2,198 million pounds, have been allocated, viz.:—2,115 millions to General Services; then £65,312,500 to English, £8,310,000 to Scottish, and £8,624,500 to Irish Services, respectively. It is this further item of £8,624,500 which has lifted Irish expenditure last year up to the high figure, £22,161,500. Deduct it, and the balance £13,537,000 is the figure which compares correctly with the £13,002,000 assigned as Irish Expenditure in the previous year, 1917-18. In fact, it is evident that the £13,002,000 for Irish Expenditure in 1917-18 is *exclusive*, whereas the £22,161,500 in 1918-19 is *inclusive*, of Ireland's share of benefit from this "Votes of Credit" outlay. This kind of discrepancy has often appeared before in the White Papers, and renders difficult any comparisons between different years.

V.—Transformation of Irish Revenue.

It is on the Revenue side that the War has produced the largest changes in Irish finance, and these changes are of great interest. There has been not merely a large increase, but also a change of character. Before the War the revenue "collected" in Ireland had always been larger than the true revenue paid by Ireland ever since the equalisation of the Spirit Duties in the Fifties by Gladstone, followed by Disraeli—*i.e.*, the correction applied to the "collected" figures has always been a minus. But War taxes on the consumers of imported goods (like tea, sugar and tobacco) and the lowering of the exemption limit for income-tax have, between them, quite transformed the Irish Revenue Account. Let me contrast a pre-war year, 1913-14, with the post-war year, 1918-1919—viz.:

IRISH REVENUE.

1913–14.			1918–19.	
Collected.	True.		Collected.	True.
£	£		£	£
3,006,000	3,326,000	Customs ...	6,081,000	9,744,000
5,842,000	3,359,000	Excise ...	7,838,000	4,825,000
1,079,000	1,079,000	Estate Duties	1,238,000	1,238,000
336,000	371,000	Stamps ...	580,000	619,000
1,162,000	1,480,000	Income Tax	5,926,000	8,808,000
—	—	Excess Profits Duties.	7,484,000	10,040,000
12,000	12,000	Land Values Duties.	4,000	4,000
11,437,000	9,627,000	Tax Revenue...	29,151,000	35,278,000
1,507,500	1,507,500	Non-Tax do....	1,997,000	1,997,000
12,944,500	11,134,500	Total Revenue	31,148,000	37,275,000

Looking to the totals at foot of this table we see that in 1913-14 the "collected" revenue had *to be reduced* by £1,810,000 in order to get the true revenue really paid by Ireland; but in 1918-19 the "collected" revenue had *to be increased* by £6,127,000 in order to get the true revenue. That is a striking transformation. Everybody knows that the Customs and Excise duties, no matter how collected, are ultimately included in the retail prices paid by the consumer of the articles. Now when Tea, Sugar, Tobacco, Coffee, Wine, etc., are consumed in Ireland the duties on them have been "collected" in England before importation here:—these articles contribute a *plus* adjustment to our true revenue. But when Irish Whiskey, Malt, and Porter are consumed in England, the English consumer is paying the tax which was "collected" in Ireland before exportation:—these articles contribute a *minus* adjustment to our true revenue. Before the War the *plus* articles furnished very little revenue, the British taxation ideal being then a lightly-taxed breakfast table. The *minus* articles were then much more productive of revenue, because Spirits alone was heavily taxed. Therefore, the net final adjustment was then a *minus*, *i.e.*, the "collected" revenue then had to be reduced to get the "true" revenue really paid by Ireland. That was the position every year since 1879 when the "free breakfast" policy came into favour. The recent War taxes, which lie heavily on Sugar, Tea, Tobacco, etc.—by sacrificing that policy—have brought in much new revenue from Ireland. At the same time the sales of Irish Whiskey and Porter across the Channel have been much interfered with by shipping difficulties during the War: they had dwindled to a very low point when the armistice came and cleared the seas of submarines; the last few months of 1918-19 thereafter showed a sudden large revival of this trade.

Looking now to the direct taxes, as in the above table, I may draw attention to three features. Income Tax (with which is included Super Tax) and Excess Profits Tax (with which is included Munitions Levy), when taken together, account for about 19 millions of revenue; and of this as much as 6 millions was collected "at the source" across the Channel: a fact which shows that Irish people must derive a considerable part of their personal incomes from their investments in Great Britain,—we are the creditor nation. Then the Estate Duties in Ireland show a steady, if slow, rise: a fact indicating that the average of estates passing at death must be a good deal larger here than it used to be. Lastly, the Non-Tax Revenue (three-fourths of it being the earnings of the Post Office) is small, and very stationary, in Ireland it is still under 2 millions though the postage rates are so much raised.

The War has, I think, done much to re-establish Irish credit. It should have abolished the very prevalent idea that Irish public finance was plunging into insolvency because the revenue was not keeping pace with the expenditure. We have seen that there exists, since 1817, no constitutional reason why the two should keep pace. But people who know nothing about that have sometimes had the notion that a country ought to be able to pay its way. Now, for the past fifteen years or so, British finance has been shifting the main burden of taxation from consumable articles to direct taxes on wealth like Estate Duties, Income Tax and Super Tax. That policy may have suited Great Britain, where a wealthy class exists; but when that formula for taxation was applied to Ireland Irish revenue did not show much capacity of growth. It did not suit us. The needs of War finance compelled England to re-establish taxation on consumable articles; and under these new circumstances the possibilities of Irish revenue have taken a wholly different aspect. It has been demonstrated that Irish revenue to a large amount can be got if you go the right way for getting it. The English Exchequer may be trusted to now get all the Irish revenue that it wants:

> Most can raise the flower now
> For all have got the seed!

But, while the Union contract stands, there is one thing the British Minister of Finance cannot do;—he cannot put a tax on Ireland unless he puts at least an equal tax on the same article in England; he must tax his own breakfast table at least as much as he taxes ours.

VI. *Taxation in Great Britain and Ireland.*

Nevertheless, the enormous revenue now being extracted from Great Britain and Ireland is a terrible economic strain on both countries; and Ireland is less able to stand the bleeding since she gets back from the expenditure of these great War revenues only a very small return. I worked out the following comparative figures from the White Papers: to show the expansion of Tax-Revenues in both countries (I omit the Non-Tax Revenues altogether). Great Britain raised by taxes £153,408,000 in 1913-14, and £751,525,000 in 1918-19: which is an increase of 489·8 per cent. Meanwhile Ireland raised by taxes £9,627,000, and

£35,278,000: which is an increase of 366·4 per cent. In this statement the Excess Profits Taxes are included; and in 1918-19 they brought in (apparently) £273,937,000 in Great Britain, £10,040,000 in Ireland. Now I propose to omit this Excess Profits revenue, for several reasons: (1) It mainly arose out of work that was being paid for out of the War expenditure itself, and Ireland got very little of that work to do. (2) It did not exist in 1913-14, and will not continue in the future; so it will not affect our capacity to carry our burdens in the future,—the point I am here concerned with. (3) I am not satisfied about the method used in the White Paper to allocate the English, Scottish, and Irish contribution to Excess Profits Revenue. We are told that the Excess Profits "collected" in Ireland was £7,484,000; yet the White Paper estimates that Ireland really "contributed" £10,040,000 under that head of revenue—the reason being that the Treasury has had all Excess Profits revenue "*adjusted* between England, Scotland and Ireland *on the same basis as Schedule D, Income Tax.*" I do not stop now to argue about the wisdom of this adjustment: for I am going to omit Excess Profits Revenue altogether. So far, then, as regards all Taxes other than Excess Profits Duty, the rise from 1913-14 to 1918-19 has been as follows: for Great Britain, from £153,408,000 to £477,588,000,—a rise of 311·4 per cent.; for Ireland, from £9,627,000 to £25,238,000—a rise of 262·1 per cent. We might state this result approximately, viz.: In the last year of warfare the tax-revenue (other than Excess Profits Duty) had increased by 3 times for Great Britain, by 2½ times for Ireland.

Let us think where the money went. The White Paper for 1918-19 tells that the whole expenditure of the United Kingdom in that year was £2,579,301,500. It then picks out £185,536,500 of that vast sum and tells us how it was distributed, viz., the cost of English Services was £143,847,000; of Scottish Services was £19,527,500; of Irish Services was £22,161,500. That is local expenditure in each area respectively. But there still remains a sum amounting to £2,393,765,000 which is set down as spent on "General Services." The Exchequer Issues that authorised this vast expenditure might, perhaps, enable us to trace the money to its destination where it was finally paid away. How much of it was outlay spent in England, how much in Scotland, how much in Ireland, how much was spent abroad outside these three Kingdoms? These are questions which should not be asked while indiscriminate finance obtains between Great Britain and Ireland.

But the Treasury in its White Papers has gone behind that principle of indiscriminate finance in order to supply an approximate statement of the facts as they exist at the moment. Therefore, I wish we could get from the Treasury a Third White Paper telling us the true facts of the geographical distribution of this " General " expenditure. We could then be in a position to understand why it is that a tax revenue $2\frac{1}{2}$ times larger from Ireland is economically far more exhausting to our country than the tax revenue 3 times larger from Great Britain has been to the sister island.