FINANCIAL REFORM TRACTS.

NEW SERIES, No. XXIV.] [CONCLUSION.

CONSTITUTION, OBJECTS,

AND

PROCEEDINGS

OF THE

Financial Reform Association.

THE

HUDSON'S BAY MONOPOLY.

LIVERPOOL:

Published by the ASSOCIATION, and issued free of charge and postage, to Subscribers of 10s. annually. Sold to Non-Subscribers. at the Office, 6, York Buildings, Dale Street; and by Messrs. WILLMER and SMITH, Church Street.

LONDON:

P. S. KING, 12, BRIDGE STREET, WESTMINSTER.

PRICE SIXPENCE.

EGERTON SMITH AND CO., PRINTERS, MERCURY OFFICE, LORD STREET, LIVERPOOL.

THE

LIVERPOOL FINANCIAL REFORM ASSOCIATION

WAS INSTITUTED IN LIVERPOOL, ON THE 20TH OF APRIL, 1848,
FOR THE FOLLOWING

OBJECTS:—

1. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments of the public service.

2. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

ROBERTSON GLADSTONE, *President.*

TERMS OF MEMBERSHIP.

Every person contributing Five Shillings per annum, or upwards, shall be a Member. Subscribers of Ten Shillings, or upwards, per annum, are entitled to all the Publications of the Association, including the back numbers, of which a list is subjoined, postage free.

The following is a list of the Subjects discussed in these publications:—

	TRACTS.
The Civil List and the Pension List	1, 2.
Amount and Sources of Taxation	3.
Army, Ordnance, Commissariat, Navy, and Colonies	4, 5, 7, 9.
Cobden's National Budget	6.
Woods, Forests, and Estates of the Crown	8.
Shipbuilding and Engine making	10, 13.
Colonial Expenditure and Government	11, 12.
Miscellaneous Abuses	14.
Direct Taxation	15, 27.
National Expenditure	16.
Evils of Indirect Taxation	17, 19, 20, 21, 23, 24, 26.
Civil Service	18.
Patent Laws	22.
Stamp Laws	25.
Historical Review of the Fiscal System	28, 29, 30, 31, 32, 33, 34, 35.

NEW SERIES.

The Aristocracy and the Public Service	1, 2.
Income and Property Tax	3, 4.
Cost of Customs and Excise Duties	
Turkey, Russia, and English Interference	5.
Ecclesiastical Courts of Record	6.
The Way the Public Money Goes	7.
Black Mail to Russia	8.
The War, the War Budget, the Ministry, and the *Times*	9.
Administrative Reform	10, 11.
Decimal System of Currency and Accounts	12.
Governmental Improvidence	13.
The Royal Household	14.
The Army and the Income Tax	15.
Fiscal Doings of the Session, 1856	16, 17.
Cooking of the National Accounts	18.
Addresses on Direct Taxation	19.
Governmental Gun Making	20.
The Hudson's Bay Company	21, 24.
National Book-keeping	22.
Governmental Model Farming	23.
Constitution, Objects, and Proceedings of the Association	24.

Post-office Orders to be made payable to the Treasurer of the Association, namely, JOHN SMITH, Esq., Waterloo, near Liverpool.

6, YORK BUILDINGS, DALE STREET,
LIVERPOOL, APRIL, 1858.

158,707
HR
F5515.5
F4

THE FINANCIAL REFORM ASSOCIATION.

As a sufficient number of the Financial Reform Tracts, of the new series, to form a second volume, corresponding with the first in size, and, it is hoped, in value, has now been issued, it has been deemed expedient to bring them to a close. The present Tract will therefore be the last of the second series, and members who may be in want of any of the back numbers to complete their sets for binding will do well to make early application.

The question as to the propriety of commencing a third series on the same plan, or of substituting for a Tract devoted to one subject, and appearing at comparatively distant intervals, a monthly periodical, embracing more variety of topics, and treating of the many important matters which are constantly arising connected with Finance, Taxation, and Commerce, whilst the public interest in them is still fresh, has been seriously and anxiously discussed at various meetings of the executive body. After mature deliberation it has appeared to the Council that a publication of the latter nature, more diversified in its contents, and more frequent and regular in its appearance, will be best adapted to enlarge the circle of readers, to extend the adoption of the principles of the Association, and, consequently, to promote the accomplishment of its three grand objects, Public Economy, Equitable Taxation, and perfect Freedom of Trade. For universal adhesion to these principles, on the part of all true lovers of their country and mankind, the Council are thoroughly convinced that nothing more is necessary than that they should be perfectly understood.

In lieu of the Tracts, therefore, and as a more efficient organ of public instruction in fiscal philosophy, the new periodical will be published at the beginning of every month under the title of the FINANCIAL REFORMER. It will be devoted to the consideration of the same class of subjects as the Tracts, both editorially and by correspondence; to a record of the proceedings of the Council; to financial proceedings in parliament; and to important parliamentary documents, the bulk and expense of which render them inaccessible to the general public. Its mission will be to show the great injustice, impolicy, and evil consequences of our present fiscal system, both as regards the levying and expenditure of taxes, on the one hand, and the great national advantages, to all classes of the community, which would certainly result from the adoption of a better system, on the other. In this important work of enlightening public opinion on the true principles of Taxation and Government, the Council expect to receive the aid of able and valued coadjutors.

The FINANCIAL REFORMER will be issued, like the Tracts, free to members, at a low price to non-subscribers, and will be occasionally forwarded free to public men, who do not subscribe, but are likely to be influenced beneficially by its facts and arguments. As no sale can be calculated upon, at least for a considerable time to come, to meet anything like the expenses of publication and distribution, it is confidently hoped that all the present members of the Association will not only continue their subscriptions, but exert their influence with friends and acquaintance to obtain new subscribers, more especially as it must be obvious that the objects of the Association will be most effectually aided by the largest possible circulation, which must be to a considerable extent gratuitous.

The claims of the Association to continued and increased support, grounded on the services which it has rendered and may yet render are so fully set forth in the Report presented at the last public meeting of its members and friends, that that document may form an appropriate conclusion to the second series of the

Financial Reform Tracts. It was published, with the resolutions and petition adopted at the meeting, in several of the local papers at the time; but it is, nevertheless, desirable that the whole should be placed on permanent record amongst the transactions of the Association, in order that they may be bound up with the second volume, and the Council have therefore determined on their republication.

The meeting in question was held at the Concert Hall, Lord Nelson Street, on Thursday evening, January 21, 1857. It was open to all comers and was most numerously attended. The chair was occupied by L. Heyworth, Esq., M.P., and amongst the invited guests was J. A. Roebuck, Esq., M.P. The proceedings were perfectly unanimous. The following is a copy of the

REPORT.

In presenting an account of the proceedings of the Financial Reform Association, since the last public meeting of the members on the 16th December, 1852, and of its present condition, the Council feel bound to allude, in the first instance, to the interruption of that wholesome and invigorating intercourse between them and their constituents, which was contemplated in the 5th rule passed for the guidance of the Association, at its original institution, on the 20th of April, 1848—viz.: "That there should be an annual general meeting for the presentation of a report, and the passing of the accounts." The Council hope, however, that a brief explanation on this point will be deemed satisfactory.

The annual meeting which ought to have taken place in 1853, was delayed, from time to time, by circumstances over which the Council had no control, until the proper period had long passed; and the two next years being years of warfare, the Council, though divided as to the war itself, deemed it impolitic, if not unpatriotic, to present such an opportunity as a general meeting would have afforded for any clashing of public opinion, which, by encouraging the enemy, might have retarded the restoration of peace. This difficulty being removed, the ordinary course of the Association is now resumed; the expression of public opinion is again invited; and the Council are convinced that the most unrestrained discussion as to the origin of the late war, its policy, progress, and results must be beneficial to the country.

These are questions to be argued otherwise than in a report of the proceedings of the Association; but it may be observed generally that all the disasters of the last two years,—the lamentable sacrifice of human life by other agencies than those of sword or gun,—the squandering of millions more than would have sufficed to furnish with every luxury of life the gallant soldiers who were suffered to perish for want of its barest necessaries,—in short, all the faults and follies exhibited in the disastrous Crimean campaign are not only clearly traceable to defects in the military, civil, and governmental services, which have been exposed, over and over again, in the Financial Reform Tracts, but were the necessary consequences of those defects.

If, after the harrowing details first proclaimed by newspaper correspondents, established before the Sebastopol Committee of the House of Commons, and confirmed by the Crimean Commissioners, Sir John M'Neil and Colonel Tulloch, any doubt could remain as to the true source of such evils, that doubt must have been removed by the Report of the Chelsea Board of General Officers, who, in their laboured attempt to exonerate inculpated commanders and subordinate functionaries, endeavoured to show that no person was to blame for anything that occurred in the Crimea—that all that was possible was done by everybody,—and that calamities which might have been avoided by the commonest prudence, and the most ordinary precautions, were, one and all, the results of inevitable necessity. Hence, whatever may be the value of the general verdict of acquittal, at which the Chelsea Board arrived, so far as individuals are concerned, that verdict must be regarded as an unqualified condemnation of the system under which the affairs of the British army, military and civil, have hitherto been conducted.

The Council do not refer to the catalogue of blunders and disasters which constitutes the history of the winter campaign before Sebastopol, in order to show that they have been true prophets of evil. Their object is a higher and a better one. They allude to them, as proving the necessity of extensive reforms in the system, which not only rendered such things possible, but is made to serve as an excuse for them when they occur. According to the proverb, "Experience gives wisdom to fools." The dictum may be doubted; but, certainly, the lessons of this hard and stern teacher are only lost on fools; and happy would it be

for the nation, if, deriving wisdom from the past, both rulers and people should determine on adopting the measures requisite for the avoidance of similar calamities in future.

For the reasons just glanced at, public assemblages of the Association have been suspended; but, in the interim, the weekly meetings of the Council have been regularly held. At these meetings questions of great interest, local as well as national, have been discussed; the action of the Legislature, the Government, and of public servants generally has been watched; correspondence with friends of the cause in all parts of the kingdom has been maintained; and much valuable information has been procured and disseminated by means of reports furnished to the newspapers, and the publications of the Association. The advantage of maintaining constantly at its post a body unwarped by any considerations of private or party interests—uninfluenced by any motive but a desire to promote the public good, must be theoretically manifest. Some of the many proofs of its practical utility will be given in the sequel.

Reflection and experience have more and more convinced the Council of the soundness of the two great principles on which this Association was founded, viz., the strictest Economy, consistent with efficiency in every branch of the public service; and the substitution of an Equitable system of Direct Taxation for the present heterogeneous jumble of systems, under which imposts on articles of general consumption, and materials of manufacture, which increase prices far beyond the mere amount of the duties, which are most costly in collection, and most demoralising in their effects, and which diminish employment by restricting Trade, are made to contribute far the greater part of the whole revenue of the country. On the question of Economy there can be no second opinion: on that of Direct *versus* Indirect the verdict would be equally universal, if the advantages and disadvantages of both systems were duly weighed. It is deeply to be regretted that the indignation excited by an existing tax, which is most unequal in itself, and most annoying in the mode of its enforcement, should have indisposed the public mind for the calm consideration essential to the determination of this important question, and should also have been reflected on every form of Direct Taxation, however different both in principle and detail. To remove such prejudices and disseminate sound principles of taxation, the

Council have strenuously exerted themselves, and they rejoice to say that their efforts have not been wholly unsuccessful.

Since the last public meeting of the Association, seventeen tracts have been issued, all, save one, within the last two years. It is to be hoped that these have been studied by the members, and circulated amongst their friends; but as there are probably many present who are unacquainted with these publications, a brief sketch of their contents may not prove unacceptable.

The first of these tracts, entitled "Turkey, Russia, and English Interference," was the production of a gentleman originally opposed to the war, but afterwards, only anxious to carry it on vigorously, and bring it to a successful conclusion. Its two main objects were to denounce our constant intermeddling in the domestic affairs of foreign nations, and the system of secret diplomacy which is constantly involving us in disputes, often on grounds which would be puerile if they only affected individuals, but which are preposterous in the highest degree as between friendly nations. The Council hold that the Parliament and people of this country have a constitutional right to be consulted before either war is declared or peace concluded; and that the exclusive privilege of doing both, claimed for the crown, by those who act in its name, is a usurpation.

The next tract was an exposure of the abuses of the Ecclesiastical Courts of Record, contributed gratuitously by William Downing Bruce, Esq., barrister at law. On this subject the Council refer with satisfaction to a beneficial obstruction of legislation by the Peers during the last Session of Parliament. They allude to the Government bill establishing a new ecclesiastical tribunal, at an annual expense of £50,000, in addition to about thrice that sum as an outfit, for the transaction of part of the business of the existing courts, (which were to be continued,) the decision of doctrinal disputes, and the trial of clerical delinquents, averaging, perhaps, about half a dozen per annum. Scarcely ever was there a more flagrant attempt at a job; yet it received the sanction of the peoples' representatives, and was rejected by the House of Lords.

The next tract, entitled "The way the public money goes," shows that seven years ago, 37,301 persons, exclusive of the hosts employed in the Royal Household, the diplomatic and consular establishments, and the civil services abroad, divided amongst them £5,895,982 in the shape of salaries, pensions, and retired

allowances, being a general average of £158 per annum each. This may appear a reasonable amount, but when it is considered that of the number stated, 26,081 receive less than £150 each, and thousands of these less than 20s. a week, it will be seen that many hardworking public servants must be miserably underpaid, whilst the great prizes are divided amongst a comparative handful of individuals, many of whom do little, and not a few absolutely nothing for what they receive. The tract is an analysis of a parliamentary return of 1849, obtained on the motion of the late Mr. Joseph Hume. This veteran reformer was a member of the Financial Reform Association, took an active interest in its proceedings, and rendered it many valuable services. Probably the very last communication on any public subject, penned by his hand, was a letter to its president on the impolicy and prejudical effects of the law of blockade. On his decease, the Council had the melancholy satisfaction of condoling with his family, on an event which was not only their bereavement, but a loss to the nation which he had so long, so zealously, and, as regards honours and distinctions, so thanklessly served. Of this tract there were issued 2,000 copies, of which about 400 were sent to ministers and members of both Houses of Parliament, and 200 to merchants of Liverpool and Manchester, not members of the Association.

Another phase of secret diplomacy is exhibited in the tract entitled "Black Mail to Russia," the production of Mr. C. D. Collet, of London, in which it is shown how, in the matter of the Russo-Dutch loan, British interests and British money were sacrificed for the sake of bribing Russia to acquiesce in British arrangements of Continental matters—a most vicious policy, of which recent events have exhibited the futility.

Of the next tract, "The War, the War Budget, and the Ministry," a considerable portion was devoted to the gyrations of the *Times* newspaper. It may be here observed, that if that influential but most versatile organ of public opinion had, seven years ago, sought the removal of abuses in our military system as zealously as this Association, instead of maintaining that that system was all but perfection, and denouncing the financial reformers of Liverpool as a set of meddling busy-bodies who did not know what they were talking about, the *Times*, in all probability, would never have had to record the calamities which tardily opened its eyes to the fact that the system which it had

lauded theoretically as the best, was, in reality, the very worst in Europe. There is no other military service in the world in which a man, without any qualifications for command, can purchase the right to exercise it, and sell that right again to another equally disqualified, just as a ship, a house, or a bale of merchandise might pass from hand to hand. Some attempts have been made, under the strong pressure of public opinion, to reduce the military chaos into something like order; but the vicious influences of family interest, court favour, and political patronage, must have remained in force until very recently, otherwise honours, distinctions, and promotion, would never have been showered so lavishly on men, many of whom have done nothing to deserve reward; whilst others ought to have been cashiered for neglect of duty and incapacity.

The Financial Reform Association may fairly claim credit for its share in the attempt made recently to remedy one great abuse in the army, viz., the old Tailor-Colonel system, which gave military officers the temptation and the opportunity to mulct both the soldier and the public, by eking out their regimental pay with profits on clothing, and also with the cost of clothing never purchased, for men borne on the establishment as it was termed, but never embodied. It may be doubted, however, whether the proposed remedy will not prove worse than the disease. An Army Clothing Board has been established, at the head of which has been placed Sir Thomas Troubridge, a distinguished officer no doubt, but profoundly ignorant of the mysteries of cloth buying and tailoring. His colleagues appear but ill-qualified to supply his deficiencies in these respects. They are—Mr. Ramsay, late a third class treasury clerk, but nephew to Lord Panmure, the War Minister; Mr. Howel, Director-General of Contracts, who may know something of such matters, but whose principal recommendation probably was his relationship to Mr. Hayter, the whipper-in; and Mr. Godley, an income-tax collector of two months' standing, who has been appointed Director-General of Stores. But even if the Board were properly constituted, its functions, as officially described, render it little more than a channel of communication between army clothiers and colonels of regiments—the latter having still, as heretofore, to deal directly with the contractors, and still the opportunity of deriving a profit from every contract, besides the additional allowance of £600 per

annum granted in lieu of former perquisites. It is evident that much more remains to be done before we shall cease to hear of flimsy and ill-made clothing, that only stands a few months' wear; boots and shoes, of which the soles and upper leather part company on contact with adhesive soil; axes that will not cut; and picks that break at the first, second, or third blow against any hard substance. What a world of injustice as regards the soldier, and of peculation as regards the public, was revealed by the Minister of War when, in announcing to the House of Lords last session, that he had, (of his own authority, and without parliamentary sanction,) increased the pay of private soldiers in the Crimea, he expressed his conviction that their former pay would have been amply sufficient, but for the caprices and exactions of commanding officers!

Two tracts have been devoted to the suggestion of improvements in the various departments of the public service, of each of which the London Administrative Reform Association took 2,000 copies for gratuitous distribution. With Mr. Samuel Morley, the first chairman of this body, and some of its leading members, the Council have been in most friendly communication; and they have now the gratification of seeing amongst them Mr. John Arthur Roebuck, its present president. The objects of the two Associations are in fact nearly, if not quite identical, there being scarcely one of the Financial Reform Tracts which does not bear directly on some question of Administrative Reform. The Council rejoice in the acquisition of such an auxiliary, though conscious, as their allies must also be, that little substantial or permanent good can be effected, if, whilst measures are taken to improve the efficiency of subordinate *employès*, the higher offices of the state are still to be all but monopolised by men of aristocratic birth and connections, who disdain trade and all connected with it; if youths, fresh from college, who can repeat the names of Homer's heroes, or Actœon's hounds,—trace the pedigree of heathen gods and goddesses,—scan classic authors,—or tell the altitude of the mountains in the moon, but are utterly ignorant of all that relates to the practical business of life, are still to be foisted into most responsible situations, as they may be under the Treasury minute, which enables the minister to dispense with any preliminary scrutiny before the new Board of Examiners. Principals as well as subordinates should be properly qualified; for,

if the former fail in conduct or capacity, the latter, however competent, and however zealous, are pretty sure to go astray. Efficient heads being provided for the different departments, to them should be entrusted the power of promotion, punishment, and dismissal, subject to parliamentary control; and on each of these heads of departments would then fairly rest the whole responsibility for that particular branch of the public service committed to his charge.

Three other tracts devoted to an *exposè* of "Governmental improvidence," and two to the "fiscal doings" of the last session of Parliament, may be mentioned as bearing on the same question of Administrative Reform. Amongst the remedies suggested by the Council, is the appointment of a permanent Finance Committee of the House of Commons, for the supervision of all financial business—a matter hitherto neglected or slurred over by the national stewards, in a manner which would entail disgrace and dismissal on a highway board or parish vestry. In furtherance of this object, the Council issued a circular address to nearly every member of both Houses of Parliament, and twice petitioned the House of Commons. The circular was also forwarded to the newspapers, many of which published it, and warmly approved of the suggestion. There is reason to believe that to these and other remonstrances emanating from the Association, it is owing that rather more attention was paid last session to financial business—that the shamefully neglected state of the national audit was made known, and that there is now some prospect of improvement in the management of the public purse.

The Council have issued a tract on the decimalisation of coinage, weights and measures, conceiving that such a change will be attended with most beneficial consequences, as regards the community generally in all the ordinary transactions of business, and also as regards the State, by the very considerable reduction in the staff of clerks and accountants, in almost every public department, which it will render practicable.

A tract on the Royal Household exhibits both the costliness of that establishment, and its worse than uselessness for its professed objects, which are—the personal comfort of the Sovereign, and the honour and dignity of the Crown. It is shown that the purposes for which something like half a million is annually expended are oligarchical not royal. The Council yield to none

in true loyalty to their Sovereign; they grudge nothing that is essential to her happiness, or comfort, or the proper maintenance of the dignity of the Crown; but, convinced that those objects are in no way promoted by the crowds of parasites who surround her,—regarding the Royal Household as a concentration of the abuses which prevail in other departments, and as a constant example of extravagance to the aristocracy, operating through them on other classes,—and believing the system to be as repulsive to the Queen personally, as it must be to the reflecting portion of her subjects,—the Council have ventured to put into the mouth of her Majesty an imaginary speech to Parliament, which, wild as some may deem it, probably conveys nothing more than she would herself think, feel, say, and do, if, with a full knowledge of the evils which require reform or abolition, she had also the power of carrying her wishes into effect. But, though nominally at the head of the greatest empire the sun ever shone upon, the Sovereign of this country is, in reality, helpless against the oligarchy which rules it in her name. It is, therefore, the height of injustice to charge upon her abuses over which she has little, if any, more personal control than the meanest of her subjects. The Sovereign and people have one common interest; when once this fact comes to be thoroughly understood, and acted upon, the long reign of the factions which have preyed upon both will soon see its termination. It may, perhaps, be regarded as a symptom of some change for the better that the *Times* newspaper which, seven years ago, lavished all its powers of sarcasm on the financial reformers of Liverpool for presuming to criticise the constitution of the Royal Household, has come round to the very opinions which it then denounced. In that paper of the 19th of March last, there was an article on the subject, *apropos* to the plunder of the royal plate, on its way from Buckingham Palace to Windsor, as sweeping in its condemnation as anything that ever emanated from the Financial Reform Association. It is there shown that, notwithstanding the multitudinous staff of principal porters, assistant principal porters, gentlemen porters, yeomen porters, extra yeomen porters, common porters, and porters of various other titles and degrees, not a single individual of them all could be found to degrade himself even by superintending the loading and conveyance of the royal plate! It was left to the care of a common carrier and his men, just as if it had been an old

applewoman's crockery; they stopped to drink by the way, as carriers will do, and whilst they were engaged at their potations some clever thieves rifled the waggon and got clear off with the most valuable part of the spoil. It is only a fair presumption that the servants of any other department of the Royal Household would be just as valuable, in any emergency, as were those of the staff of porters on this occasion.

The object of another tract published by the Association was twofold—first, to show the gross injustice, and manifold anomalies of the existing duties on profits, commonly, but most improperly, called the Property and Income Tax; and, secondly, the great advantages which would result from such an equitable adjustment and extension of that tax as should require from every man, no more, and no less, than his fair contribution towards the proper wants of the state, and would at the same time render the impost a substitute for all the taxes which now depress and cripple commerce, manufactures and industry. On this subject the Council have also issued two addresses, the first of which the *Times* published on the 26th December, 1856, the second on the 16th instant. Both were accompanied by long editorial comments, in which there was not a single argument, either in justification of our present fiscal system, or against the principle of Direct Taxation, but a superabundance of sneers, cavils, and objections, all founded on the difficulty, or supposed impossibility, of carrying that principle into operation. On the other hand, the Council have received very numerous communications from all parts of the kingdom, some of them from gentlemen of landed property—all, with one single exception, expressing unqualified approbation of the change suggested, and some of them speaking of it in the most enthusiastic terms. That sound principles are making progress has been manifested at Belfast, and various other places; and they will contrive to do so in defiance of the attempts of the *Times* to put an extinguisher upon them either by its sneers, or by its silence. The Council can never believe either that what is just is not also practicable; or that gross and manifest injustice in human legislation is incapable of a remedy.

Most unfortunately for its own fame, and for the nation, the otherwise glorious Anti-Corn Law League imagined that its mission was accomplished, and Free Trade established, when the restrictions on one article only were abolished, instead of continuing its

labours until commerce and manufactures were perfectly freed by a properly adjusted system of Direct Taxation, from all the fetters and clogs which a false and most mischievous policy has placed upon them. Instead of committing suicide when the first triumph was achieved, the League ought to have made that the starting point for fresh struggles and fresh successes against monopoly and restriction. Its dissolution was a grievous mistake; but still more grievous is the error of many nominal free traders, who now, instead of demanding a complete revision of our fiscal system, would seem to desire the continuance and increase of restrictive duties, which press most onerously on the poor, by joining in the clamour against a tax which, whatever be its defects—and they are many—has at least this merit,—that it effectually reaches the rich. Every real free trader must be an advocate of Direct Taxation.

Amongst the persons with whom the Council have been in communication on this subject was Lord Stanley, to whom the tract on the income tax was submitted. In reference to the scheme there sketched, his lordship says;—"I agree in the preferability of direct over indirect taxation, if two conditions be conceded—the first, that of equality between classes, which, by the capitalisation theory, seems attainable; the second, that of accurate knowledge by Government of private incomes, which I know no means of obtaining. It is this latter difficulty, more than the former, which prevents many public men from acceding to the principle of a large extension of Direct Taxation." In the opinion of the Council this is a concession of the whole question. The preferability of one system over another being admitted, they hold that it is the duty of "public men," and of Government, to set seriously about encountering and removing the obstacles which prevent, or retard, the adoption of the best. They are also convinced that if Direct Taxation be rendered just to all classes, as it may be, it will be willingly borne, to the full extent required, for just and economical government; and, further, that cases of fraud and evasion, which are now so numerous, and which have been palliated, nay, almost justified, by a minister of the crown, as naturally resulting from the oppressive nature of the present tax, will become only exceptions to the general rule of honest payment. To devise a proper system of taxation is the province of the government or the legislature; to insist that the thing

shall be done is the business of the people; but, in any case, the Council hope that the Financial Reformers of Liverpool will adhere to the second great principle of their Association, viz.—"The adoption of a simple and equitable system of Direct Taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively collected duties upon commodities."

The Council have devoted a tract to an examination of the mode of keeping the national accounts, with a view to show the facilities which it affords both for the commission of fraud, and its concealment when effected. That this is no visionary danger is proved by the embezzlements and defalcations that have taken place from time to time, and most especially by the Exchequer Bill Forgeries, which to this day remain a mystery. It is highly probable that these robberies, discovered almost fortuitously, bear no proportion to those which have altogether escaped detection; or, at least, exposure. As bearing on these facilities for fraud, the revelations before the Select Committee of last session, on public moneys, and particularly those made by Lord Monteagle, Comptroller of Her Majesty's Exchequer, are perfectly astounding. The reported evidence proves conclusively the following facts:—1st. That the public money once voted, its disposal is completely at the discretion, not merely of the Lords of the Treasury, but of heads of departments and their subordinates. 2nd. That the apportionment of supplies by the House of Commons is nothing better than an idle form, money voted for specific purposes, being constantly, and systematically applied to other purposes not intended by the House of Commons. Thirdly. That the control exercised by the Comptroller of the Exchequer, excepting as to matters of form and technicality, is merely nominal—a fact further acknowledged and deplored by his lordship, in a letter to the President of the Association, touching the Hereditary Pension job. Fourthly. That the audit of the public accounts, for which many thousand pounds are annually paid, is really worth less than nothing; and, lastly, that the general supposition that the whole gross revenue is now paid into the exchequer, without any stoppage *in transitu*, excepting only that derived from the Crown Lands, is a complete delusion. To effect this latter object the late Mr. Hume laboured zealously for years, and imagined that he had, in part at least, accomplished it; to complete what was

left undone, with the exception of the crown lands, the late Chancellor of the Exchequer, Mr. Gladstone, passed a bill through Parliament, in 1854; yet we have it on the authority of Lord Monteagle that, in the way of stoppages and payments beforehand, all goes on now exactly as heretofore—that the gross revenue is not paid into the Exchequer—that the Comptroller of the Exchequer has no check whatever over the abstractions made from it on the way; that he does not know, and has no means of learning, whether what the Receiver-general receives and pays into his account is what has been, or ought to have been received and paid in or not; and, in short, that the only alteration that has been made consists in a formal juggle of accounts. Such being the modes in which the public money is kept, distributed, and accounted for, it can only be said that if all public servants are honest, amidst such temptations and opportunities, the fact may safely be called miraculous, even in an age when miracles are supposed to have ceased. The tract in question endeavours to show clearly what the national "finance accounts" are, and what they ought to be. It is mainly the composition of Mr. Henry Lloyd Morgan, of London, a gentleman to whom the public is largely indebted for his successful labours in the cause of Customs reform, and also for his endeavours, through the press, to force upon the Government an honest and intelligible system of public bookkeeping. In a recent letter to the secretary, Mr. Morgan says:—"What little I have been able to do is mainly owing to the invaluable information conveyed in the financial reform tracts which I have carefully studied." This testimony must be gratifying to the members of the Association, to whom the knowledge that Mr. Bowyer moved for the return, which shows the disgracefully neglected state of the national audit, in consequence of his having read the tract on "Governmental Improvidence," and the probability that Sir Francis Baring was induced to move the appointment of the Select Committee on public moneys, by similar means, will be additional sources of satisfaction, as proving the practical utility of the Association.

Besides their own publications, the Council have adopted, for circulation, the pamphlet of the Rev. Mr. M'Conkey, on the mismanagement of Cathedral funds, conceiving that, as the author exposes pretty much the same sort of abuses in the temporal concerns of the Church, as those which flourish so luxuriously in

the State, and does not touch on any doctrinal points, his work came strictly within the objects of the Financial Reform Association, and might be distributed advantageously amongst its members.

During the last two sessions of Parliament, various petitions from the Council have been presented to the House of Commons. Amongst them were two on the subject of a permanent Finance Committee: one praying that ministers of the crown may have, *ex-officio*, access to both Houses of Parliament, for the purpose of explaining their measures and policy, without votes in the House of Commons; one against the Appellate Jurisdiction Bill; and one against the improvident purchase, without any parliamentary authority, of hereditary pensions for which no public service was ever rendered. The Council also protested, through their President, against another most unwarrantable job, said to have been in contemplation, viz., the granting of a perpetual dowry of £70,000 per annum to the Princess Royal on her nuptials, with the probable successor to the Prussian Throne. The fact that scarcely a word was said either against the pension or the dowry, until the Council protested against them both, may be mentioned as an additional proof of the utility of a body like the Financial Reform Association, ever watchful over national interests, looking to measures, not to men, having no personal ends to serve, and seeking the public good alone.

Another example to the like effect may be cited in the address of the Council to the people of the United States of America, which elicited so gratifying a response from the mayor and citizens of Philadelphia, and was cordially welcomed by the most influential portion of the American press; and yet another in the fact that, but for this Association, Liverpool would have been wholly unrepresented in the congress of free traders recently held at Brussels. In the first instance, this Association had no inconsiderable share in convincing the respective governments that on such grounds as their diplomatic squabbles presented, two nations so united by ties of blood, language, and mutual interests, would not fight. In the second, the effects on the minds of continental free traders and protectionists which must have been produced by the non-representation of Liverpool on such an occasion were avoided. One of its Vice-Presidents, Mr. Francis Boult, most handsomely volunteered to act as the

delegate of the Financial Reform Association; and, at the instance of the Council, measures were taken which resulted in the Chamber of Commerce also sending a representative. On another question more strictly local,—the opposition to a most improvident disposal of the site of the old borough gaol—the Council took the initiative.

Amongst the many other subjects which has occupied the attention of the Council from time to time, the following may be enumerated:—The advantage of having one central building in each town or district, for the transaction of all business connected with taxes, general, municipal and parochial; the monopoly of the Bank of England, and the absurdity of paying to that institution large sums annually for the loan of its own paper, on the security of that of the Government; the injustice of the system under which the whole country is made to pay for metropolitan improvements, such as the widening of streets, sewerage, or the formation and maintenance of public parks, for police magistrates, police courts, policemen, and gaols, for public rejoicings, and for various other matters which the inhabitants of the provinces have to provide for themselves; the defective state of the criminal law, under which the country is put to all the expense of formal trial in the cases of offenders acknowledging their guilt, before the committing magistrates, or taken in *flagrante delicto;* and the bungling legislation which has loaded the statute book with acts to amend or repeal other acts, or parts of acts, thus rendering the law such a mass of confusion and perplexity, that the ablest judges are often puzzled to know what it really is, and not unfrequently give conflicting decisions, when the plain and obvious principle is, that a new act should comprise all such portions of the preceding statutes as are intended to be retained, repeal the rest by their omission, and enact such new provisions as may be necessary, thus embracing the whole law on that particular subject.

From this hurried and imperfect sketch of proceedings since the last public meeting, it must be manifest, at least so the Council hope, that the Association, though comparatively inactive during part of the period, has rendered important services, and that, with increased means, and additional acting members in the executive, it may be instrumental in rendering many more. The steady support of a great number of the original members, and

the acquisition of many new ones, especially of late, in London, and other parts of England, Scotland, and Ireland, as well as in Liverpool, may be taken as indications that the Council have retained the public confidence; and the accounts show the Association's own financial affairs, though not in a very flourishing condition, are so far satisfactory, that it is out of debt, and has a small balance in its favour. With additional means, its efficiency might be very greatly increased, by the employment of able lecturers, the gratuitous distribution of short tracts and broad leaves, and the establishment of a systematic course of agitation, such as led to the triumph of the Anti-Corn-Law League. The legacy of £1,000 bequeathed to the Association by one of its earliest and most zealous members—the late John Collett, Esq., formerly M.P. for Athlone—may serve as a nucleus for more extended operations; but on this it would be scarcely prudent to calculate until the money is actually in hand. In the meanwhile, the strength of the Association will be best promoted by increased exertions on the part of existing members, and the enrolment of fresh recruits.

In the growth of the principles founding the groundwork of this Association, in the establishment of other Associations, having, more or less, kindred objects in view, in the widely spread conviction that something must be done to reform effectually the abuses which prevail in every department of the state—in the very disasters which have proclaimed the defects of our system of administration to the whole civilised world; and in the palliatives which those disasters have forced upon unwilling functionaries of the Government, the Council see every motive for perseverance—none for despair. The only ground for apprehension lies in the possibility that the public generally, roused by events into temporary activity, may again sink into a state of apathetic indifference to matters vitally affecting their own interests and the welfare of the nation. In such possibility lies the necessity for increased exertions on the part of such Associations as this. Perseverance, therefore, is what the Council recommend to the Association, and concluding their report with this recommendation, they indulge the hope that their successors will, with equal zeal and greater ability, labour to bring to a successful issue its combined objects—*Financial Reform, Direct Taxation, and perfect Freedom of Trade.*

The following resolutions were proposed and passed unanimously:—

On the motion of J. T. Danson, Esq., seconded by Thomas Crosfield, Esq., and after a forcible address from J. A. Roebuck, Esq., M.P.,—

"That the beneficial results of the fiscal changes introduced by the late Sir Robert Peel—changes rendered practicable by a partial adoption of the principles of Free Trade and Direct Taxation—are evident in the immense development of the resources of the country thereby permitted, and demonstrate the sound policy of extending the operation of those principles in such a manner as to secure perfect freedom to Commerce, Manufactures, and Industry."

On the motion of Francis Boult, Esq., seconded by Wm. Penn Smith, Esq.,—

"That the true interests of this country demand an entire revision of our fiscal system, with a view to the substitution of an equitable Tax on Property and Capitalized Income, requiring from every man a fair contribution to state necessities, according to his means, for the present cumbrous, injurious, expensively-collected, and demoralizing taxes on commodities and materials of manufacture; and that, in the meanwhile, the present Property and Income Tax (with all its faults,) is preferable to an increase or continuance of existing imposts on articles of general consumption."

On the motion of John Smith, Esq., seconded by T. Crosfield, Esq.,—

"That the present pressure of taxation is enormous, demanding, for its reduction, an enforcement of the most rigid economy, consistent with due efficiency, in every branch of the Public Service; and that, for the furtherance of this object, as well as to insure a proper mode of keeping and auditing the public accounts, a permanent Finance Committee of the House of Commons ought to be appointed, and vested with all the powers requisite for an effective superintendence of the Public Income and Expenditure."

On the motion of CHARLES ROBERTSON, Esq., seconded by CHARLES EDWARD RAWLINS, Esq.,—

"That the following Petition be adopted, submitted for general signature, and entrusted to J. C. Ewart, Esq., for presentation."

"To the Honourable the Commons of the United Kingdom in Parliament assembled.

"The Petition of the undersigned members of the Financial Reform Association, and other inhabitants of Liverpool,

"HUMBLY SHEWETH,

"That the fiscal changes introduced by the late Sir Robert Peel, and sanctioned by your honourable house, have conferred immense advantages upon this country, by permitting a great, though still imperfect, development of trade, thus improving the condition of all classes of the community.

"That these changes were rendered practicable by a partial adoption of the principle of Direct Taxation, and that their beneficial results demonstrate the sound policy of extending the operation of that principle in such a manner as to secure perfect freedom to commerce, manufactures, and industry.

"That, for this purpose, it is essentially necessary that there should be a complete revision of our fiscal system, with a view to the substitution of an equitable tax on property and capitalized income, requiring from every man a fair contribution to State necessities, according to his means, for existing taxes on commodities, and materials of manufacture, which fetter trade, prevent its development in new and important branches, and press most unjustly on the industrial classes, whilst, at the same time, they are most costly in the collection, and most demoralising in their operation; and that, in the meanwhile, the present Property and Income Tax is preferable to an increase, *or continuance*, of existing imposts on articles of general consumption.

"That to effect a reduction in the present enormous pressure of taxation, the most rigid economy, consistent with due efficiency, ought to be enforced in every branch of the public service; and that, in order to promote this important object, as well as to insure the proper keeping and auditing of the public accounts, a permanent Finance Committee of your honourable house should be appointed, and vested with such powers as will enable it effectively to superintend the public income and expenditure.

"Your Petitioners therefore humbly pray,

"That your honourable house will be pleased to adopt such measures as to its wisdom may seem expedient for the complete liberation of commerce, manufactures, and industry,—for the substitution of an equitable tax on property and capitalized income for imposts now weighing most injuriously upon them all,—for the enforcement of a salutary economy in every branch of the public service,—and for the appointment of a standing Finance Committee to superintend all details connected with the public income and expenditure."

Moved, seconded, and carried by acclamation,—

"That the thanks of this meeting be given to the President, Vice-Presidents, Treasurer, and other members of the Council; and that the following gentlemen do constitute the Council for the ensuing year, with power to add to their numbers."

PRESIDENT.

ROBERTSON GLADSTONE, ESQ.

VICE-PRESIDENTS.

LAWRENCE HEYWORTH, ESQ., M.P.

CHARLES ROBERTSON, ESQ. FRANCIS BOULT, ESQ.

RICHARD SHEIL, ESQ. J. R. JEFFERY, ESQ.

TREASURER.

JOHN SMITH, ESQ.

CHARLES HOLLAND, ESQ. A. C. STEWART, ESQ.

J. T. DANSON, ESQ. J. JOHNSON STITT, ESQ.

JOHN FINCH, ESQ. JOHN FINCH, JUN., ESQ.

R. W. RONALD, ESQ. WM. PENN SMITH, ESQ.

[Since the issue of this Report, the Association has lost the valuable aid of two of the gentlemen named, the Messrs. FINCH, both deceased. Messrs. SHEIL and STITT have resigned; C. J. CORBALLY, Esq., and OWEN WILLIAMS, Esq., have been elected members of the Council. The Association now numbers between six and seven hundred members.]

THE HUDSON'S BAY COMPANY,

AND THE LATE GOVERNMENT.

A Parliamentary paper, dated Colonial Office, 22nd February, 1858, numbered 94, and entitled "Copies or Extracts of any correspondence that has taken place between the Colonial Office and the Hudson's Bay Company, or the Government of Canada, in consequence of the Report of the Select Committee on the affairs of the Company which sat in the last session of parliament," has been published. From the correspondence it appears that the late Government were quite prepared to act upon the recommendations of the Select Committee, opposed as these were to Imperial and Canadian interests; and also, that the Hudson's Bay Company was fully disposed, as it might well be, to acquiesce in the slight concessions stipulated for as conditions on which its licensed monopoly is to be continued, and its chartered one left unquestioned. Her Majesty's present advisers, if they be wise, and really wish to serve the country, will set aside the blind bargain concocted by their predecessors, and more especially by Mr. Labouchere, the late Colonial Minister, who, in that capacity, and also as chairman of the Select Committee, seemed to sink all other considerations in his desire to promote the interests of the monopolists.

The Report of the Select Committee was carried by a majority of six to five, and that by something very like management, in the absence of several members who took the side of the public against the Company. That Report recommended that "whatever may the validity or otherwise of the rights claimed by the Hudson's Bay Company under the Charter," the Company should be allowed to retain possession of all its assumed territories, with all existing privileges, whether claimed by Charter or held

by Royal License, with the exception only of the Saskatchewan and Red River districts, to be ceded to Canada "on equitable principles," and of Vancouver's Island, to be resumed by Government. These recommendations were based, as the Report states, mainly on the following considerations:—

"1st. The great importance to the more peopled portions of British North America that law and order should, as far as possible, be maintained in these territories."

"2nd. The fatal effects which they believe would infallibly result to the Indian population from a system of open competition in the fur trade, and the consequent introduction of spirits in a far greater degree than is the case at present."

"3rd. The probability of the indiscriminate destruction of the more valuable fur-bearing animals in the course of a few years."

The worthlessness of these "considerations," and the hypocrisy of the affected regard for the welfare of the Indians are exposed in the 21st Financial Reform Tract, of the second series, in which will be found a full history of the Company,—its Charter,—its usurpations,—its plunder of the Indians in the way of barter,—and its gross inattention to their improvement, either temporal or spiritual. The disregard of all the principles of justice, which seems to have actuated the Committee, is manifested by its professedly ignoring all reference to the validity or invalidity of the Charter, whilst, in the same breath it recommends that territories to which the Company may have no claim whatever, if the Charter be invalid, or which may be expressly excluded by the Charter, if it be valid, shall only be ceded to Canada "on equitable principles,"—that is by purchase from the Company. The arrangements proposed by the late Government and accepted by the Company were in strict accordance with these recommendations of the Select Committee.

In a letter dated Downing Street, January 20, 1858, Mr. H. Merivale, of the Colonial Office, announces to John Shepherd, Esq., Home Governor of the Company, the intention of Her

Majesty's Government to renew the License of Exclusive Trading in the Indian Territories, for a further term of 21 years from its approaching expiration on the 30th of May, 1859,—reserving, however, the right to establish colonies, and excepting from the License Vancouver's Island, as already a constituted colony. In a letter of the same date, to the same personage, Mr. Merivale states that Government intends "to repurchase" Vancouver's Island, and asks for a statement of the Company's expenditure on the Island, for which repayment may be demanded. On this it may be remarked that, although the Company ought certainly to be indemnified for any substantial improvements, it can only be allowed the privilege of selling a gift which, improvident as it was, was made subject to the right of resumption by the giver, in virtue of that peculiar species of "equitable principles" which seems to have been invented for the especial benefit of the Company.

Mr. Merivale states further that although both the Government and the Company consider it very desirable that the boundary question should be decided by some competent authority, such as the Judicial Committee of the Privy Council, Canada is not prepared to concur in this course unless allowed also to discuss the validity of the Charter itself, "a question which, on public grounds, Her Majesty's Government do not consider themselves authorized to raise." If, however, any parties in Canada choose to contest the Company's alleged "rights to the full extent before a legal tribunal,"—why they must do so on their own responsibility.

Now, it is part of the case of Great Britain and Canada against the Hudson's Bay Company, that the Charter of King Charles II. was invalid from the first, and always subsequently, never having been confirmed by Parliament, excepting during seven years of the reign of William and Mary; that all its conditions, save only the trading in furs, have been violated; and that the privileges it confers are contrary not merely to public policy but to the express laws of England:—yet here are "public grounds" alleged

against testing the question whether a few private individuals are rightful owners of territories sufficient to constitute half a dozen colonies each as large as Canada, or mere usurpers! Mr. Merivale does not explain what "public grounds" militate against so obvious an act of public justice as the testing of this question; and his principal, Mr. Labouchere, who raises the same objection, is not a whit more explicit.

In a letter to the Governor General of Canada, dated January 22, 1858, Mr. Labouchere gives Canada the option of trying the boundary question alone, in concurrence with the Government and the Company;—or of testing the validity of the Charter by itself, adding that "Her Majesty's Government have come to the conclusion that it would be impossible for them to institute proceedings, with a view to raise this question before a legal tribunal, without departing from those principles of equity by which their conduct ought to be guided." The "equitable principles," and the "public grounds" on which the late Government shirked the manifest public duty of testing the monstrous privileges claimed against the whole British public are perfectly incomprehensible. If the Charter be invalid the Company has no just claim to one penny of compensation, excepting for actual improvements; whilst, if it be valid in all respects, so impolitic and injurious a monopoly ought to be forthwith abolished on such terms of indemnification as may fairly meet the justice of the case.

As a matter of course Governor Shepherd and the Company were happy to acquiesce in the course proposed, taking care, however, to prepare the way for heavy demands by representing the Red River and Saskatchewan districts as peculiarly valuable to them for purposes connected with the fur trade, and also as the only sources from which the annual supply of provisions is drawn. This is another sample of the grasping spirit of the Company. It does not raise its own provisions in these or any other districts, but buys them from the settlers;—therefore it will be a gainer instead of a loser by more extended cultivation.

However, a claim for compensation is lodged on this score; and it is assumed that the Canadian Government is to be responsible "for the preservation of peace, and the maintenance of law and order" in the ceded territories, which means that it is to "prevent lawless and dishonest adventurers from infringing from thence the rights of the Company over the remaining portions of their territories." Modest propositions these,—but still not all that the Company requires, for it is likewise expected that Her Majesty's Government will co-operate with that of Canada "in maintaining tranquillity and order among the Indian tribes, and protecting the frontiers of the whole adjacent British territories from foreign encroachment."

The plain English of all this is that the Governments and people of Great Britain and Canada are, at their own expense, and to their own great loss, to act as keepers of the Company's game preserve; to drive off all poachers; and to prevent fertile lands, which the Hudson's Bay Company consecrates to bears, beavers, foxes, and other vermin, from being converted to any more useful purpose. The condition respecting "lawless and dishonest adventurers" is especially worthy of admiration. Under this courteous appellation come all British subjects who shall presume to trade, without the Company's gracious permission, in British territories; and,—what constitutes the *gravamen* of their guilt, to give better prices to the poor Indians for furs and skins than the Company has the conscience to think sufficient. The men who do this are, in the Company's estimation, "lawless aud dishonest" traders!

In the Tract already mentioned the Company's mode of trading with the Indians is very fully exposed; but the barter tariff established in the M'Kenzie and Athabasca districts, published in a recent number of the *Toronto Globe*, presents a still more striking example of the Company's idea of what constitutes lawful and honest traffic. According to this tariff the Company gives for a beaver skin, which is the standard, any of the following articles, viz.: a small axe; a dozen buttons; a knife; a dozen needles; or

a pair of scissors. Now, at the Company's sales in London beaver skins of the first quality bring from £4 to £6 each, and a first rate silver fox skin, equivalent in the tariff to four beaver skins, from £11 15s. to £49 10s. Thus for a silver fox skin of the first quality which sells say at £50, the Company gives the hunter four knives, which may be worth four shillings, the rate of profit on such a transaction being just 25,000 per cent. Dealing thus with their unfortunate subjects, or rather with their slaves, for that is what they are, the Company pretends great regard for their interest and welfare, denouncing all persons who would interfere with such an infamous system of imposition as "dishonest and lawless adventurers;" and, to complete the mockery of justice, a British administration was prepared to continue this system as beneficial to the Indians, and necessary to the preservation of law and order, which, we are to suppose, would be endangered by open competition! The wonder is that the Indians have not, ere this, risen upon and massacred the extortioners.

There would be some sort of satisfaction in knowing the names of these reputed owners of British North America. Governor Shepherd, replying to Mr. Merivale, speaks of his "colleagues in the direction," and of "the proprietary body," as if they were legion; yet it is confidently stated that the real shareholders are only nine in number. Who are these highly favoured, yet mysterious individuals, and what is the amount of their respective interests in the concern? The Right Honourable Edward Ellice, who gave evidence before the Select Committee, or, to speak more correctly, lectured and dictated to it in a style not customary with witnesses, is a leader amongst them; his son Edward, who sat upon the Committee, is another; the Earl of Selkirk a third; but who and what are the other half dozen? When questioned on this subject the Right Honourable Gentleman intimated very cavalierly, that this was a private matter with which the Committee had no business to meddle; and the Committee, cowed by his impertinence, was content to go without the information. It would seem, however, that if territories

comprising upwards of twenty degrees of latitude and sixty of longitude,—extending from Canada and Labrador to the Pacific Ocean,—containing millions of square miles which exceed in fertility, climate, and other natural advantages the most favoured portions of Great Britain and Ireland, are to be made over to this handful of persons until the Americans choose to take possession, the public have at least a right to know who they are. The list might possibly throw light on the mysterious agencies by which the national interests have so long been sacrificed, quite as significant as the fact that the Right Honourable Edward Ellice is brother-in-law to the present Earl Grey, who was Colonial Minister when the Company got its license renewed, and received a gift of Vancouver's Island into the bargain.

If Her Majesty's present advisers mean to adopt the course which their predecessors were prepared to take on this Hudson's Bay question, and if Parliament and people should acquiesce in the unjust and impolitic arrangements sketched in this official correspondence, it requires no extraordinary powers of divination to foresee that we shall lose all of these territories worth possessing as unwisely as we lost the American Colonies, and, not improbably, Canada along with them. Such would seem to be their present intention, for in answer to a deputation from the Aborigine's Protection Society, on Friday, March 19, Lord Stanley, the present Colonial Minister, stated that he could make no declaration of ministerial policy on the Hudson's Bay question, because the reply of the Canadian Government to Mr. Labouchere's proposals had not yet been received. The presumption, therefore, is that if the Canadian Government closes with these proposals, the Earl of Derby will follow the path chalked out by Lord Palmerston, thus missing a golden opportunity of serving the country, and, at the same time, greatly strengthening his own administration.

But what will the people of Canada say to such an arrangement? They are greatly and justly excited on this question. They are at present as loyal as any other subjects of the British

empire; but, at many of the public meetings which have been held of late, they have intimated very plainly that their loyalty is conditional; and that a continuation of imperial injustice may produce effects similar to those which it produced in the days of George the Third. The threat implied is somewhat more worthy of consideration than that flaunted in the face of the Select Committee by the Right Honourable Edward Ellice, when he said that if the privileges of the Company were abolished, its agents and servants in the country would maintain them against all intruders. The excitement in Canada is all the more serious because the local Government appears to have been playing into the hands of the monopolists. At a price merely nominal, it has made over to the Hudson's Bay Company various lots of land situated at the mouths of great rivers and lakes on the Canadian frontier, the obvious purpose of the Company, in making the acquisition, being to prevent the establishment of marts of commerce in those localities. Their Chief Justice, Mr. Draper, who was deputed to give evidence before the Select Committee, and attend to Canadian interests, betrayed his trust, as they allege; and a very active partisan of the Company has recently been appointed Solicitor General under the Canadian Government. On the other hand, the Americans are daily encroaching on the Company's game preserve and taking possession of valuable lands, which, but for its chartered and licensed monopoly, would long since have been occupied by flourishing communities of British subjects. But, even if the people of Canada agree to the compromise proposed, the commercial, manufacturing, and industrial classes of this country ought to protest against it; and if they be wise they will take care, by public meetings, petitions, and personal remonstrances with their representatives, that there shall be no mistake, either on the part of their new rulers, or of the parliament, respecting their views of what is right and just between these monopolists and the empire.

The corrupt and fatuous policy which has so long fostered and

now means to uphold this most anomalous *imperium in imperio* is all the more extraordinary, considering that, whilst the nation has thus submitted to exclusion from its magnificent American possessions, it has been incurring immense expenditure of blood and treasure on the acquisition of additional territories in Asia and Africa, infinitely less adapted to European habits and constitutions; and that at this very moment the House of Commons, which seems disposed to allow the Colonial Office to play ducks and drakes with British North America, has a committee sitting to inquire into the best means of colonizing India. The time is come for the abandonment of this suicidal policy, and the abolition of this most preposterous monopoly. Let the new ministers transfer to Canada as much of these territories as Canada requires or can manage, forming the rest into separate colonies or provinces, and throwing the whole freely open to British enterprise, and they will deserve well of their country and mankind, though it is quite possible that in thus founding a new and flourishing empire they may extinguish bears, beavers, and foxes within its precincts. If, on the other hand, they complete the job projected by their predecessors, and if parliament and the country acquiesce in such a solution of the problem, then the annals of the world may be searched in vain for a parallel instance of national folly and infatuation.

FUNDS OF THE ASSOCIATION.

The Treasurer reports that the balance in his hands, December 31, 1857, was £18 11s. 7½d.; that the death of the late Mr. Finch, senior, caused an omission of the audit last year, but that Messrs. Ronald and Johnson will examine and report on the accounts of 1856-7, on an early day. The treasury at present is in a very improved condition, but still further subscriptions are required for the extension of operations now contemplated.

EGERTON SMITH AND CO., PRINTERS, MERCURY OFFICE, LORD STREET.