quite clear that Denmark can legislate for herself, and impose taxes to be levied upon her own people, without the consent of Holstein, Lauenburg, or Schleswig.

Two questions of great importance remain. The first regards the Duchy of Schleswig; the second, the common constitution of the Monarchy.

Schleswig was formerly in a position altogether nomalous. Unconnected with the German Confederation, it was yet connected with Holstein, which formed part of that Confederation. Later arrangements have dissolved this inconvenient tie, and Schleswig is at present only connected with Holstein by non-political relations affecting the two communities.

There are, however, relations between Germany and Denmark in respect to Schleswig which have

given rise to the present controversy.

The obligations of honour contracted by Denmark towards Schleswig, and imparted to the German Confederation as such by the King of Danmark in 1852 chiefly regard two points. The Denmark in 1852, chiefly regard two points. first of these is the Royal promise that Schleswig shall not be incorporated with Denmark. The second is, in substance, an engagement that the Germans in Schleswig shall be treated on an equal footing with persons of Danish or any other nat onality.

The grievances of which Germany complains as violations of these promises are thus summed up in the recent Prussian note of the 22nd of

· August :-

The systematic destruction of national and neighbourly connection between Schleswig and Holstein; the disregard of the determination concerning the University of Kiel; the overfilling of the Duchy of Schleswig with Danish officials in the Administration, with Danish clergy in church and school, as well as the whole spirit of the administration in this Duchy; finally, the violation of all actual and practical relations by the maintenance of the language Edict, are matters of fact which are notoriously public, and of which the evidence is in the hands of every onc.

For all practical purposes, it would be vain to attempt a constant supervision by Germany of the nomination to civil offices of Danish officials in Schleswig, or the administration in church and school by Danish Ministers of religion. superintendence would lead to a constant renewal

of quarrels, and a perpetuity of ill-will.

The best mode, therefore, of remedying these evils for the present, and of preventing complaints for the future, is to grant a complete autonomy to Schleswig, allow the Diet of Schleswig fairly to treat, and independently to decide upon questions affecting their university, their churches and schools, the language to be used where the Danish population prevails, where the Germans preponderate, and where the races are mixed.

I come lastly to the question of the Constitution, the most entangled and the most embarrassing

question of all those in discussion.

Treaties, Protocols, and despatches afford us little light upon this subject, and the glimmering rays which they do afford tend rather to lead us astray than to guide us right.

For what could be more destructive of all union, all efficiency, all strength, and, indeed, of all independence, than to lay down as an absolute rule that no law should be passed, and no Budget sanctioned, unless the four States of the Monarchy all concurred? What would Austria say if she were asked to accept a Constitution which should paralyze the action of the Reichsrath at Vienna till separate Diets in Hungary, in Gallicia, and in Venetia, should have adopted the same law or sanctioned the same Budget? How would Prussia

herself bear an absolute veto on the proceedings of her Parliament given to the Diet of Posen?

If such a Constitution must lead to an early and decisive rupture, let us consider whether each portion might not have its due independent movement without clogging the wheels of the whole machine. For instance, if the sums required for the navy were represented by 90, of which Denmark were to furnish 60, and the other States 30, Denmark might vote, and apply her contingent of 60, independently of the vote of the other three portions.

There is only one objection to be made to this

suggestion which deserves consideration.

If the 1,600,000 people of Denmark were taxed to pay the army and navy, and the 50,000 of Lauenburg were to refuse any grant for these purposes, a hardship would be suffered by the inhabitants of the kingdom when compared with the situation of the King-Duke's subjects in Lauen-

The remedy for this inequality is to be found in a proposal for a normal Budget, to be laid before the Rigsraad, and before the Diets of Holstein, Lauenburg, and Schleswig, for their consent.

It is obvious that the Government of an independent kingdom like Denmark must, for the maintenance of that independence, require a certain amount of expenditure for the Civil List of the Sovereign, for the Diplomatic Service, for the Army and Navy of the State.

Let this be reckoned as economically as possible; for the least amount of royal dignity; for the most

frugal establishments of profound peace.

Obtain that sum from the four Representative Bodies. Confide its distribution to a Council of State, formed, two-thirds of Danes, and one-third of Germans. Let the votes of this Council be taken in public, and accounts of the expenditure published yearly.

The normal Budget to be voted in gross for ten years. The distribution or expenditure to be voted

yearly.

Extraordinary expenses beyond the normal Budget to be voted freely by the Kingdom and the three Duchies separately.

The suggestions I have made may be summed

up in a few words :-

1. Holstein and Lauenburg to have all that the German Confederation ask for them.

2. Schleswig to have the power of self-government, and not to be represented in the Rigsraad.

3. A normal Budget to be agreed upon by Denmark, Holstein, Lauenburg, and Schleswig.

4. Any extraordinary expenses to be submitted to the Rigsraad, and to the separate Diets of Holstein, Lauenburg, and Schleswig.

You will give a copy of this despatch to Mon-sieur Hall and invite his serious attention to its contents.

> I am, &c. (Signed) RUSSELL.

No. 2.

M. Hall to M. Bille .- (Communicated to Earl Russell by M. Bille, October 10).

Monsieur, Glucksborg, le 5 Octobre, 1862.

SI le Gouvernement du Roi n'a pu encore expédier sa réponse—et il n'y en a qu'une possible—aux notes des deux Puissances Allemandes, vous devinez, Monsieur, qu'il n'y a d'autre raison à cela que l'absence du Roi de la capitale, qui ne permet pas la réunion du Conseil d'Etat nécessaire pour l'envoi de cette réponse. Car sur le fond de l'affaire la manière de voir du Gouvernement ne