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REASONS

Against LOWERING the

INTEREST

Of the Redeemable

NATIONAL DEBT,

From 4 to 3 *per Cent.*

SHEWING

This SCHEME to be Detrimental
to the *PUBLICK.*

In a LETTER to a Member of
PARLIAMENT. *by Sir John Barnard*

LONDON:

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REASONS against Lowering
the Interest of the redeem-
able National Debt, from
4 to 3 *per Cent.*

S I R,

THE Scheme for reducing the In-
terest on the redeemable Funds,
from 4 to 3 *per Cent.* and mak-
ing those Funds irredeemable for fourteen
Years, being the common Topic of De-
bate; the Importance of the Subject
warmly defended by some, and opposed
with equal Warmth by others, naturally
engaged my attention. I mentioned the
Result of my Thoughts to a Friend or
two, who not seeming displeas'd with
them, I the more freely venture to com-
mit them to writing, and to submit them

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to your Censure. I trust to your Candour and Love of Truth so much, that I am not only persuaded, that Prejudices which might naturally arise from the Abilities and Experience of some of your Friends Admirers of this new Scheme, will not have the least Sway over you; but also that you will overlook any Negligences of Style, in a Letter writ, as you know, in a great deal of hurry. If what I say be true, unadorn'd as it is, it will meet with your Approbation: If I err, you will correct my Errors; in either case, any little Pains I may have been at, meets with a Reward; the only one I can propose to my self must be of this nature, for whatever becomes of the Scheme, my Interest is not concern'd, to the value of one Farthing.

It is agreed on all hands, and expressed in divers Acts of Parliament, that the publick Debts and Incumbrances ought to be lessened as fast as conveniently may be, with regard to Justice and common Faith; and indeed, so long as the Nation labours under so great a load of Debt, it is impossible it should maintain its Honour and Rights, with the same vigour as formerly. The End proposed is obvious; but many Doubts and Debates have arisen as to the Means. A just Examination of any Scheme
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for this purpose, requires Attention to more than one thing. The immediate Ease of Taxes is not the only Thing to be valued; if this were the Case, neither Principal nor Interest would ever be paid, at least, no more than a low Interest, and the Sinking Fund intended to pay the Capital, would always be applied towards the current Service of the Year. If again, the Ease of Taxes were not attended to, a great deal of Mischief might arise. Lastly, Justice, Compassion, and National Credit, must not be neglected; if ever they should, a Sponge would be thought the short Method with the publick Creditors. From considering the Expedition, Ease, and Justice of a Scheme, variety of Opinions, as to its Goodness, will always arise, as People attend to, or are biased by one of these Considerations, more than by the others. Ease and Expedition must necessarily lie in opposite Scales. Low Interest, if brought about by Force or Fraud, may not only be contrary to Justice and Humanity, but, what may seem a Paradox to some, retard the Payment of the Capital. Low Interest promotes a quick discharge of our Debts, only by increasing the Sinking Fund, and retaining the same Annuity, and consequently, the same
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Taxes; whereas, if you only retain the same Sinking Fund or that part of the Annuity which goes to discharge the Principal, but lower the Annuity in the whole, by the Sum arising from lowering the rate of Interest, it is certain you will be longer in paying off your Debt: for the Sinking Fund increasing naturally in a geometric Progression, if the first Term be the same, and the *Ratio* or Rate of Interest less, a greater number of Terms or Years must be taken to pay off the same Sum. I mention this, because I find a great many People, upon hearing that Interest is to be lower'd, immediately conclude, the Nation will be sooner out of debt; which is not necessarily true, unless the same Taxes continue; and even then, the Difference is often very inconsiderable. The Difference of time in paying off a Debt of fifty Millions, by an Annuity of three Millions, at the rate of *2 per Cent.* or *1 per Cent.* is not two Years and a quarter, it being $20\frac{1}{2}$ in one Case and $18\frac{1}{2}$ in the other; and if no Interest at all were paid, it would require $16\frac{2}{3}$ Years to pay the Principal. This leads me to ask, what must be thought of a Scheme, that by giving no certain, or if certain, yet very inconsiderable Ease, for a few Years, not only

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only detains the Nation many Years longer in debt, but makes your necessary Burden at the end of fourteen Years, greater than it would otherwise be. I cannot help thinking this a bad Scheme; whether the new one be within the Description, I must submit to your Determination, after you have perused what follows.

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The National Debt, as far as I can learn, stands nearly thus :

<i>Debts at 4 per Cent.</i>		
	<i>l.</i>	
S. S. Stock and Annuities, }	28,302,203	
Bank, - - -	8,500,000	
India, - - -	3,200,000	
Plate Act, -	312,000	
	<hr/>	<i>l.</i>
		40,314,203
<i>at 6 per Cent.</i>		
Bank, - - - - -		1,600,000
3½ per Cent. Annuities of 1731,		400,000
<i>at 3 per Cent.</i>		
Bank Annuities, }	800,000	
Nevis Deb. &c. -	37,821	
Exchequer Bills,	483,600	
Sinking Fund, -	600,000	
	<hr/>	
		1,921,421
<i>Total of the Redeemable Debt,</i> 44,235,624		
<i>Annuities on long Terms and Lives,</i> 2,342,673		
		<hr/>
		46,578,297
Civil List Debt, }	1,000,000	
Unpaid on Salt, }	1,000,000	
Navy Debt, -	500,000	
	<hr/>	
		2,500,000
		<hr/>
		49,078,297

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The Total of the Debt is 49,078,297 *l.* from which taking of 1,000,000 *l.* to be paid this Year, the Remainder is 48,078,297 *l.* and the Sinking Fund 1,150,000 *l.* some part of this Debt being at 6 per Cent. other parts at 4, 3½, and 3 per Cent. and there being some Annuities on long Terms and Lives; to calculate when the whole might be paid off with the utmost Accuracy, would be tedious; I shall therefore suppose it equivalent to a Debt of 47,000,000 *l.* the whole of which bears 4 per Cent. Interest; this you see is over-rating it. Now, the Interest of this at 4 per Cent. amounts to 1,880,000 *l.* per Ann. this added to 1,150,000 *l.* the Sinking Fund, gives 3,030,000 *l.* for the Annuity, by which the Debt must be paid. And, by the known Methods of Computation, it appears, that by this Annuity, your Debt may be paid off in less than 24¾ Years.

In twelve Years you may pay off 17,240,000 *l.* so as to reduce the Debt to 29,760,000 *l.* the Interest of which, being 1,190,400 *l.* deducted from the Annuity, 3,030,000 *l.* leaves 1,839,600 *l.* for the Sinking Fund, at the end of 12 Years.

At the end of 14 Years you may pay off 21,035,000 *l.* so that the Debt will then be

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your Sinking Fund being 1,620,000 *l.* exceeds the old one of 1,150,000 *l.* by 470,000 *l.* (Observe, Sir, that the Advocates of the new Scheme make it but 430,000 *l.* which shows, that I give them fair Play enough;) and in 3 Years and a half, or 4 Years at most, your Sinking Fund will be encreased to 1,790,574 *l.* and remain so constantly for 10 or 12 Years; whereas by the old Scheme, your Sinking Fund, at the End of seven Years, could not be above 1,513,300 *l.* This appears advantageous to the new Scheme; the Advantage in this Case is 277,274 *l.* *per Ann.* after 7 Years, and greater any time before that. After 12 Years, let us see how Matters stand. Upon the Old Scheme, the Sinking Fund will then be 1,839,600 *l.* whereas on the New, it will be but 1,790,574 *l.* the Difference is 49,026 *l.* in favour of the Old one. Here, Sir, your new Scheme loses ground, and will continue to do so ever after: For instance, in 14 Years, by the Old Scheme, the Sinking Fund will be 200,826 *l.* more than by the New one; here the two Schemes stand in a good Point of View. In 14 Years, by the Old one, you will be enabled, in case of Necessity, to apply above 200,000 *l.* more to the current Service

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Service of the Year, and be above 15,349,000 *l.* less in Debt; this last Sum being the Difference between 41,314,203 *l.* and 25,965,000 *l.* the respective Totals of the National Debt upon the New and upon the Old Scheme at the End of 14 Years. Before the End of 25 Years, you may be out of Debt by the Old Scheme, and consequently apply (if need be) upwards of three Millions to the current Service; whereas by the New, you'll still have 18 Millions of Debt, and your Sinking Fund will not be two Millions and an half. Please to consider this, Sir, and I fancy you'll own the immediate Ease arising from the New Scheme is dearly purchas'd.

I think, it appears, that if the new Scheme takes place, you cannot possibly ease the Subject for $3\frac{1}{2}$ or 4 Years to come, unless you please to protract the Payment of that Part of the Debt that is left redeemable. For it is plain, by the foregoing Computation, that the Annuity of 3,030,000 *l.* is supposed to continue, and to be applied solely to pay the Interest and Part of the Principal of the National Debt; if you apply it to other Purposes, you retard the Time of Payment, and this must inevitably happen in

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any Scheme whatsoever. It sounds grand I confess to say, that, by your New Scheme, you may ease the Subject by near 1,800,000 *l.* after 4 Years; but then, as I before observed, you protract the Payment of the Capital: if this be thought no Evil, apply it to the Old Scheme, and you'll find, that, in 6 Years, you may ease the Subject near 1,500,000 *l.* and in 12, may ease him more than by your New one; with this further Advantage, that you'll be near 12,000,000 *l.* less in Debt. In comparing the two Schemes, it will be well to consider, whether we remain in Peace or not; if you have a War any time within 11 or 12 Years, you have some Advantage in carrying it on easily by the new Scheme; but this Advantage grows continually less and less; and if a War should not begin till after 12 Years, it is certain the Advantage lies on the side of the Old Scheme.

I have tired you, I doubt, with Computations, which, not being carried to the greatest Nicety, may, by some, be thought little to the purpose; but I beg, you would remember, that I having undervalued the Old Scheme, and overvalued the New, they serve my purpose, as well as the most accurate Calculation. I think, I have
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set the Advantages of the New Scheme in a sufficiently strong Light. I have supposed it ready executed; nay, I am willing to suppose the possible Ease arising from this Scheme actually given. Many would think this a very large Concession, Experience showing that other Causes, besides War, can frustrate the best Parliamentary Designs. But after all, what does the Benefit amount to? You ease yourself a little now, to smart the longer hereafter do what you will, if you continue to act with a constant Regard to Parliamentary Faith and Credit, (as I hope and believe) this present Ease will one time cost you above 3 Millions annually for seven Years; if you pay less yearly, you must pay the longer.

From what has been said, I may venture to conclude, that the Advocates of the New Scheme have been far from proving its Excellency, or indeed, that it will on the whole do any good at all. I may also lay it down as a Maxim in sound Politicks, that all Alterations of Property, destitute of good Reasons, are wrong; and that this Consideration alone furnishes a sufficient Reason for continuing things as they are. This makes me entertain no Value for the New Scheme. The
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Good is precarious ; the Private Evil, if not the Publick, certain. But as its Advocates have expatiated much in its Praise, it may be worth while to consider a few more of their Topicks.

They fail not to enlarge much on the Benefits of low Interest, calling it the Parent of Art and Industry ; and hence of Riches. I cannot help thinking, there is a small Mistake in this political Genealogy. I imagine it stands thus ; Liberty is the Parent of Art and Industry ; Art and Industry of Riches ; and Riches of low Interest : so that low Interest, where it is naturally and really so, and not nominally by the Force of Laws, may be taken as the Effect or as a Sign of present Riches, but not as the Cause ; and as to the Continuation or Increase of Riches, it is not so much as a Sign. If low Interest were a necessary Cause of increasing Riches, as some have asserted, it is plain, a rich Nation could never grow poor. This Consequence, tho' contrary to Experience, will not startle the Advocates for low Interest, because they may attribute growing Poverty to other Causes. Be it so ; but will they say, that lowering of Interest, either naturally or artificially, in whole, or in part, will necessarily

cessarily destroy those other Causes, if not, from what Principles do they venture to assert, a Nation must be enriched by lowering its Interest ?

It would lead me too far, or else I should be very much dispos'd to maintain a political Paradox, that a Nation may possibly be so rich, that, in the course of things, it must grow poorer, unless it forbids all Commerce whatsoever with its Neighbours ; but I waive this. From Experience, it appears, that *England* and *Holland* made the swiftest Progress in Riches, when Interest was high. With regard to *Holland*, no body, who has read their History, can be ignorant of this ; and as to *England*, besides other Evidence, I have an Advocate for the New Scheme on my side, who asserts, the Balance of Trade to be against us, and consequently that we grow poorer, altho' Interest be lower now than it was some Years ago.

These general Positions concerning Interest may possibly seem impertinent to the Point in hand, because it is not about low Interest in general, but about lowering of Interest on the National Debt, that the Debate arises : however, as I suspect, many are mis-led by vague and general Assertions of this kind, I thought it

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it not quite amiss to trouble you with a few Lines on this Head.

Lowering of Interest on the redeemable National Debt, is said to be for the Benefit of the Publick, which no Man can oppose, but through Selfishness and want of publick Spirit. I am sure, Sir, if I deny the Benefits of this Reduction, and am mistaken, it is from neither of these Causes, but only from pure Ignorance and Dulness of Apprehension. To clear up the Point, I desire to know what is meant by the Term *Publick*; is it taken for all Natives of this Island collectively? be they Creditors to the Government or not? or is nothing meant but those who are not Creditors to the Government? If it be taken in the first Sense, I deny the Reduction so far as it affects Natives, or those that live in *England*, to be a publick Benefit, and must insist on good Proofs; till this is done, I can have no Reason for assenting to the Reduction. If the Word *Publick*, be taken in a Sense exclusive of the Creditors, I only desire a good Reason, why they should not be considered as Part of the Publick. Once more, Sir, I must beg leave to trouble you with Numbers; the Friends of this Scheme state the Savings
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by the Reduction, to be 430,000 *l.* of which 100,000 *l.* is supposed to go to Foreigners; (how truly I know not:) their Case being different from that of the Natives, it shall be consider'd separately by and by. The remaining 330,000 *l.* is paid by the Natives, who are Creditors at the Expence of 5 *s.* in the *l.* each; for this, it is supposed, some equivalent Tax is to be immediately eased. What Tax, is not said; suppose the Land-Tax. Then 330,000 *l.* is the Amount of that, at 8 *d.* in the Pound valued Rent, that is not above 4 *d.* of the real Rent; so that to save the Land-Holder 4 *d.* in the *l.* you take 5 *s.* in the *l.* out of the Creditors Pocket. This would be very unequal and hard, supposing they could all afford it; but as many would be ruined by it, I am persuaded, there are few Land-Holders in *England*, that would not be ashamed to call this a Publick Good. You see, Sir, I don't compute the Ease of 1,800,000 *l. per Ann.* that is the pretended Effect of the New Scheme, having already taken notice of that, and shown it equally attainable by the Old Scheme.

This will serve to set what is saved by the Reduction of the Native Creditor in

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a clear Light ; as to the 100,000 *l.* saved from Foreigners, it must be allowed its Weight : however, I cannot agree to the Necessity or Expediency of it, without further Proof. As to the Necessity, those who maintain it, have unwarily entangled themselves with a Contradiction : They pretend, that, by saving this Money, you may regain the Balance of Trade, which, with Mr. *Joshua Gee*, and some eminent Merchants, is suppos'd, of late Years, to have been against us ; and they add, that the Interest of the National Debt ought to be lowered, because the natural Use of Money in *England*, is now less than it was some Years ago. If so, it is plain, that Money must be more plentiful now than formerly ; and as Money does not grow in *England*, it must come in by the Balance of Trade. Consequently this must have been on our side, and that very considerably, to reduce Money, in a few Years, from 5 and 4 to 3 *per Cent.* as they pretend it is now. But the same Gentlemen say, the Balance is against us, tho' it was for us not many Years ago.

This, Sir, you see, is a plain Contradiction. Therefore either the Balance of Trade is not against us, and consequently any Arguments drawn from the Topick of

of the necessity of regaining it inconclusive ; or if the Balance of Trade be against us, the natural Use must be risen and not fallen ; so that the Necessity of a Reduction, from this reason, disappears : let them take which side they will, this Sheet-Anchor of the Cause is lost.

The Argument brought for the Necessity and Possibility of a Reduction to 3 *per Cent.* is, That the natural Use of Money is no more than 3 *per Cent.* By an Argument *ad hominem*, I can prove it above 4 ; because it was 4 at least, a few Years ago ; and the Balance of Trade having, according to these Gentlemen, been against us, the plenty of Money is decreased, and the Interest of Money risen, therefore it must be above 4 *per Cent.* But the 3 *per Cent.* Annuities bearing an advanced Price, say they, the natural Use cannot be above 3 *per Cent.* I must ask, Is the whole Price of the 3 *per Cent.* Annuities owing to the natural Use of Money, or is it not ? If it be, explain why, when the 3 *per Cents.* were at *par*, 104, 106, the 4 *per Cents.* were not at $133\frac{1}{3}$, $138\frac{1}{3}$, 141, or nearly so, if the whole Price be not owing to the Interest they bear, but to other Causes ; then, till

you prove how much is owing to one Cause, and how much to others, nothing is proved concerning the value of Interest; therefore the Principle is precarious, and all that is built thereon falls to the ground.

The Value of Money must be different to those who live on their Income, and to those who must have Money on demand, or at a short warning to answer the Calls of Trade; in this last Case, People will be content with a less Interest, and a Security which afforded no Interest at all, might, for the sake of Safety and Ease of Transfer, bear a Premium. This is the Case of the Bank at *Amsterdam*; he that puts in his Money there, gets no Interest, nor can he demand the Principal after a short term (six Months, I think) but he may carry his Obligation to Market, and sell it at an advanced Price. I know, a great part of the advanced Price is owing to the difference of the Bank, and common Computation; but this is a fixed Cause, and if I am rightly informed, amounts to no more than 4 *per Cent.* whereas the Agio of the Bank is higher, and fluctuates as the Price of our Stocks in *England*; tho' not so considerably

rably. Discounting Bills of Exchange at 3 *per Cent.* altho' it were very common, would not prove the natural Use of Money to be but 3 *per Cent.* a good Bill of Exchange, besides the Interest got by discounting it, will serve, on occasion, for ready Money; and by the frequent turning the Stock in this kind of Business, a Man may get more than by lending it to the Government.

Some Arguments might be brought to confirm what I advance concerning the Rate of Interest, from the Price of other Things regulated by that rate; as Money lent on Mortgages, Jewels, Plate, and other Pledges, the value of Annuities for Years, Life, or Lives, &c. These, I should think, would be better Standards to judge of the natural Rate of Interest, than the Price of Stocks fluctuating much from other Causes. From this it would seem, as if the natural Use of Money in most parts of *England* were rather above than under 4 *per Cent.* So that the Complaint made by some, that the Creditors enjoy far beyond the natural Rate of Interest in *England*, seems groundless.

The Promoters of the New Scheme, I fancy, are conscious that Interest is not
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so low as they pretend, by their Offer of making the Sums subscribed irredeemable for 14 Years. Where would be the necessity of this, if Money was at 3 *per Ct*? I have already observed, that the making the Debt irredeemable for that Term, is likely to over-balance all the Good, said to arise to the Publick, from the lowering of Interest, and I imagine it must prove a considerable Loss to the Creditors, in case we should be engaged in a War, before the 14 Years are elapsed. So that if we have a War before 12 or 14 Years, the new Scheme, from this and other Considerations, is bad for the Creditor; and if the War happen after that Term, it is bad for the Nation. This I hope will be sufficiently evident from what has been already said.

It has been asserted that the new Scheme will ease the Manufacturer, and by that means encrease the Trade and Riches of the Nation. I should be glad to see a Computation of the Difference of the two Schemes in this Article. It is plain from what has been said before, the one has the Advantage at one time, and the other at another. But I would humbly submit it to the Consideration
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of the Legislature, whether throwing Trade open to all, and abolishing many old Laws and Customs that restrain it, would not do more good in this Respect, than can be expected from either Scheme.

Some few other Reasons have occur'd to my Memory, not unusually alledged, to engage Land-holders to wish for, and the Creditors to acquiesce in the Reduction. The Price of Land will rise, say many: They may find themselves mistaken, especially if they imagine by the New Scheme's taking effect, that the Price will rise to 33 or 34 Years Purchase. Mr. *Locke* has already exposed the like vulgar Error. Besides, if the Price of Land should increase, who would be the better? not he that does not sell his Estate; and he that does, if he gets more Money, at the same time must have it at less Interest; which, if his Land sells at $33\frac{1}{3}$ Years Purchase, leaves him but where he was; if he sells it for less, his Income decreases. As to the Publick, it is plain it gets nothing by raising the Price of Lands, unless Foreigners were to buy; but a high Price would never be a Temptation to them, even tho' there were no bad Titles for want of Registers, nor any legal
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Impediments to their purchasing. If the Interest of our Funds were to fall to $\frac{1}{2}$ or $\frac{3}{4}$ *per Cent.* he would be mightily mistaken who should expect 200 or 400 Years Purchase for his Estate.

The Motives used to persuade the Creditors of the Advantages of the New Scheme, have no better Foundation.

The Annuitants are told, that by being paid off 1,000,000 *l.* every other Year, and buying in at an advanced Price, they would lose as much as by the New Scheme: This is a Mistake, unless the Premium were 25 *per Cent.* In that Case, indeed, an Annuitant who has 1,000 *l.* Stock, and is paid off 100 *l.* can re-purchase but 80 *l.* so that he loses 20 *l.* every two Years, which is equal to what he will lose by the Reduction of Interest from 4 to 3 *per Cent.* But if the Premium be less than 25 *per Cent.* as it is at present, and as it will in all probability continue some time, and may be much lower, in case of a War, it is obvious that the Annuitants must lose more by the Reduction than by being paid off a Million, every two Years.

In short, Sir, let me turn this new Scheme which way I will, the Sum total
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of the Good appears to be the 1 *per Cent.* saved from the foreign Creditors, and this is not so considerable as it may seem at first sight; for to engage the Creditor to accept of a less Interest, you contrive a Method to keep your self longer in debt. I cannot help thinking, that the evil Consequences arising from making upwards of 41,000,000 *l.* irredeemable for 14 Years are so great, as not to be compensated by the Reduction of Interest. This leads me to take notice, that the first Scheme proposed in the *Daily Journal*, is not near so bad as that which some have imagin'd an Improvement on it. In a word, the less irredeemable Debt you have, the better.

Hence I should imagine, it would in every respect be better, if Books were opened to take in Subscriptions at 3 $\frac{1}{2}$ *per Cent.* you might, without allowing any thing to be irredeemable, soon get a large Sum of Money; if so, let it be apply'd, as fast as possible, to reduce the Debts standing out at an higher Interest. This would improve the old Scheme, and might naturally, and by easy degrees, bring the Interest of the National Debt,
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a few Years hence, even lower than 3 *per Cent.* I don't in the least question, that if this Method was closely pursued, and the sinking Fund applied as it ought, that in fourteen or fifteen Years, the National Debt might be reduced to 20,000,000*l.* at an Interest of $2\frac{1}{2}$, or at most 3 *per Cent.* This Debt would fit so easy upon us, that it would be no great matter, tho' it were reduced no farther. Some are of opinion, that a further Reduction would do more Harm than Good; how well they are grounded in this, I know not.

Another Motive for a Reduction of no more than $\frac{1}{2}$ *per Cent.* arises from Compassion; large and precipitate Reductions of Interest cause great Distress and Calamity. To say that this ought not to be considered, since what the one loses, the other gains, is talking much too loosely; for, altho' in this Case, the Sum total of Money remains, it is certain, the Sum total of Happiness does not.

I am sure, Sir, I have tired your Patience. If I had more Time, I would transcribe my Letter, and abridge and polish

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polish it as I went on; but rude as the Draught is, I hope you will receive it as a Mark of the Esteem of,

S I R,

Your Most Obedient,

and Most Humble Servant.

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P O S T S C R I P T.

UPON second Thoughts, I find, I have allowed a great deal too much in favour of the New Scheme, by admitting 100,000 *l. per Annum* saved to the Nation from foreign Creditors; on the contrary, I find, that the New Scheme will carry out more Money on the whole than the Old. This will seem a Paradox, but Figures will show it true.

I shall state the National Debt as before at 47,000,000 *l.* and the Annuity paid to discharge it, 3,030,000 *l.* Then if, for instance, the foreign Debt, reduced from 4 to 3 *per Cent.* be 10,000,000 *l.* you'll find, that as 47 is to 10, so is 3,030,000 *l.* to 644,681 *l.* the Annuity paid to Foreigners; which, by the Old Scheme going out of the Kingdom, annually for 25 Years, makes in all 16,117,025 *l.* By the New Scheme, 10,000,000 *l.* being irredeemable for 14 Years, nothing goes out but the Interest on 300,000 *l. per Annum.* This multiplied by 14, gives
4,200,000 *l.*

4,200,000 *l.* but the National Debt, at the End of 14 Years, will be above 41,000,000 *l.* and the Annuity must be 3,030,000 *l.* (If you make it less, you must postpone the Payment of your Debt, which may as well be done on the Old Scheme.) Then as 41 is to 10, so is 3,030,000 *l.* to 739,024 *l.* This multiplied by 18, the Time necessary to pay off the Debt according to this Scheme, gives 13,302,432 *l.* adding this to the 4,200,000 *l.* that must go out during the first 14 Years, you'll find 17,502,432 *l.* for the Sum carried out by the New Scheme, which is 1,385,407 *l.* more than by the Old. So that it appears, this much extolled Saving to the Nation, is a negative Quantity. Let no Man object, that this is but an imaginary Evil, the Money of foreign Creditors being advantageous to the Nation; or that on the Old Scheme, the Sinking Fund will not be applied as it ought; or that you will get Money cheaper than 3 *per Cent.* at the Expiration of 14 Years. These, and the like things, may be said on both sides, and therefore cannot fairly be brought against either.

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I conclude with observing, That the Way of Reasoning here made use of, lays the Advocates for the New Scheme under a Dilemma, with regard to the Native Creditors. Either they ought to be esteemed Part of the Publick, or not; if they be Part, there can be no pecuniary Loss on either Scheme; but the New will produce a great deal of private Calamity; if they be no Part of the Publick, then the Publick loses upwards of 4,000,000 *l.* by the New Scheme, besides 1,385,407 *l.* exported to Foreigners. As to the Loss indeed arising by the Native Creditors, I readily agree with any one, that it is merely nominal; but for the 1,385,407 *l.* to be exported to Foreigners, I must insist, that it is real, unless it can be proved, that, by the New Scheme, the Nation will be enabled to gain an equal Sum. If the foreign Debt, to be made irredeemable, exceed 10,000,000 *l.* it will strengthen my Arguments.

F I N I S.