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THE  
 SPEECH  
 OF THE  
*RIGHT HON. WILLIAM PITT,*  
 CHANCELLOR OF THE EXCHEQUER,  
 ON FRIDAY, THE 17TH DAY OF FEBRUARY 1792,  
 ON  
 PROPOSING THE APPLICATION OF AN  
 ADDITIONAL SUM FOR THE  
 REDUCTION OF THE PUBLIC DEBT,  
 AND  
 THE REPEAL OF CERTAIN DUTIES  
 ON MALT, ON FEMALE SERVANTS,  
 ON CARTS AND WAGGONS,  
 ON HOUSES, AND ON CANDLES.

L O N D O N:  
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 M.DCC.XCII.

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THE SPEECH, &c.

ON the 17th of February, 1792, the following part of His Majesty's Speech, on the opening of the session, was referred to a Committee, of which the EARL of MORNINGTON was Chairman:—

“ It will, I am persuaded, give you great  
 “ satisfaction to learn, that the extraordinary  
 “ expences incurred in the course of the last  
 “ year have, in a great measure, been already  
 “ defrayed by the grants of the session. The  
 “ state of our resources will, I trust, be found  
 “ more than sufficient to provide for the re-  
 “ maining part of these expences, as well as  
 “ for the current service of the year, the esti-  
 “ mates for which I have directed to be laid  
 “ before you.

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“ I entertain the pleasing hope, that the  
 “ reductions which may be found practicable  
 “ in the establishments, and the continued  
 “ encrease in the revenue, will enable you,  
 “ after making due provision for the several  
 “ branches of the public service, to enter  
 “ upon a system of gradually relieving My  
 “ subjects from some part of the existing  
 “ taxes, at the same time giving additional ef-  
 “ ficacy to the plan for the reduction of the  
 “ national debt, on the success of which our  
 “ future ease and security essentially de-  
 “ pend.

“ With a view to this important object,  
 “ let Me also recommend it to you to turn  
 “ your attention to the consideration of such  
 “ measures, as the state of the funds and of  
 “ public credit may render practicable and  
 “ expedient, towards a reduction in the rate  
 “ of interest of any of the annuities which  
 “ are now redeemable.”

On

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On which day the following Speech was  
 made by the CHANCELLOR of the EXCHE-  
 QUER.

LORD MORNINGTON,

THE paragraph in His Majesty's  
 Speech which has been referred to this Com-  
 mittee, has already announced to us, and to the  
 public, the most welcome intelligence which it  
 was possible for us to receive; it has raised the  
 pleasing expectation, that after all the diffi-  
 culties with which we have struggled, the  
 period is at length arrived, when by the flou-  
 rishing state of our finances, we may be enabled  
 to enter on a system which will afford imme-  
 diate and substantial relief to a large proportion  
 of our constituents, and at the same time  
 give additional security and effect to that im-  
 portant, and (I trust) inviolable system which  
 has been adopted for the reduction of the  
 National Debt.

In proceeding to detail the measures which  
 I shall propose with a view to these important  
 objects, I shall consider it as my first and most  
 indispensable duty to state, as distinctly as  
 possible, every circumstance which can be ne-  
 cessary

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cessary for enabling all who hear me, not only to form a satisfactory judgment on the general result of our situation, but to examine the various calculations and reasonings on which that result is founded; and in attempting to execute so extensive a task, it is no small relief to my mind to reflect, that the repeated discussions which have taken place on questions of finance, have rendered them, in a great degree, familiar to the House and to the Public; and that by the measures which have been adopted for simplifying the nature and form of the public accounts, they are at length freed from that obscurity and intricacy in which they were formerly involved, and are rendered so clear and intelligible, that there is no man who may not, with a small degree of attention, become as fully master of the subject, as those whose official duty has led them to make it their peculiar study.

The first point to which I wish to call the attention of the Committee, is the amount of what may be considered as the probable future income of the country; and I will begin by recapitulating the result of the accounts for different years, which have been already stated. The produce of the permanent taxes in the last year, from the 5th of January 1791

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to the 5th of January 1792, appears to have been £. 14,132,000; which, with the addition of £. 2,558,000 (being the average amount of the annual duties on land and malt, as stated by the select Committee last year, would make the total revenue of the year £. 16,690,000. To this there must be added a sum, which in the accounts on the table has been included in the produce of the separate and temporary taxes imposed last year, for the purpose of defraying the expence of the Spanish armament, but which, in fact, makes part of the general and permanent revenue. It will be recollected that an addition was made last year to the duties on bills and receipts, and the addition was consolidated with the old duty. The whole of this consolidated duty has been carried to the account of the separate fund; but only the excess beyond the former produce can be considered as arising from the additional duty; and a sum equal to the former produce, being about £. 40,000, is to be added to the other sums which I have stated, making the total revenue for the last year £. 16,730,000.

The produce of the year preceding was £. 16,437,000, after deducting the produce of a fifty-third week, which was included in the account of that year.

The principal branches of the revenue being paid from the respective offices into the

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the Exchequer, by weekly payments, on a stated day, a fifty-third weekly payment in the course of a year, recurs nearly in the proportion of once in every period of six years. In judging therefore of the probable future amount of the revenue, the produce of the fifty-third week ought not to be included in any one particular year, and it is therefore here deducted; but, on the other hand, one-sixth part of its amount, being about £. 32,000, ought to be added to the average formed on any number of years. The average formed on the two last years, without this addition, would be £. 16,583,000, and with it £. 16,615,000.

The produce of the year ending on the 5th of January 1790, was £. 15,991,000, and the average of the last three years (making the same allowance for the fifty-third week) amounts to £. 16,418,000.

If we look back still one year further, the produce of the year ending the 5th of January 1789, was £. 15,565,000, and the average formed on the last four years amounts to £. 16,212,000.

It appears therefore that the actual produce of the year 1791, being £. 16,730,000, exceeds by above £. 500,000 the average formed on the last four years;—that it exceeds the average formed on the last two years by above £. 100,000,—the average on the last three years

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years by nearly £. 300,000, and the actual produce of the last year but one, by nearly the same sum.

If then I form my calculation of our future revenue, not on the separate amount of any one of these particular years, but upon the average amount of four years, during which there has been a constant increase, I am certainly not attempting to lead you into too favourable an opinion; but I am rather wishing to recommend that degree of caution, which the importance of the subject always deserves, and particularly at the present moment, when we are holding out hopes of relief, in which, above all things, we should be careful to avoid the chance of disappointment. I propose therefore to rest my computation upon this average produce of four years, being £. 16,212,000, and this sum, on a general view of the subject, we may safely assume, as not being likely to exceed the permanent annual revenue of the country.

I shall next desire the Committee to compare the statement of the annual revenue, with that of the permanent annual expenditure; and I shall take, as the basis of this comparison, the estimates contained in the report of the Committee appointed in the last session to examine the public income and expenditure, only making such corrections as arise from certain additions on the one hand, and reductions

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+ Permanent taxes £13,654,000

tions on the other, which at that time were not foreseen. The whole permanent expenditure as stated by the Committee, (including therein the interest of the national debt, the million annually issued for the reduction of debt, the civil list, and all the permanent charges on the consolidated fund, as well as all the establishments which are annually voted) is £. 15,969,000; to which there was added in the course of the last session (but subsequent to the report of the Committee) the sum of £. 12,000 charged on the consolidated fund, for the establishment of his Royal Highness the Duke of Clarence; and a further sum of about £. 12,000 for defraying the expence of the separate government of the Province of Upper Canada. Besides this, some further provision will be necessary for the establishment of his Royal Highness the Duke of York, on the happy event of his marriage; and this may probably occasion an addition of £. 18,000.

The amount of these additional charges is £. 42,000. \*

I have next to state those reductions which, as far as we can at present judge, may be expected to take place in our permanent establishments, although they cannot operate to their full extent in the present year. The first article of reductions is under the head of the naval service, in which I am inclined to

+ £ 15,969,000  
 + 42,000  
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 £ 16,011,000

to hope that the number of seamen may be reduced to 16,000, being 2,000 less than last year. This will produce a saving of £. 104,000, and a further saving of about £. 10,000 may probably be made in the estimate for the works to be carried on in the dock-yards.

In the actual establishment of the army, (after allowing for the proposed additions, which were explained when the army estimate was voted,) there may probably be a diminution of about £. 50,000; and £. 36,000 will be saved in consequence of the expiration of the Treaty for the Hessian Subsidy, which, under the present circumstances, His Majesty has not thought it necessary to renew.

If, therefore, allowance is made on the one hand for the addition of £. 42,000, and for the reductions in the army and navy, amounting together to about £. 200,000, the estimate of the permanent annual expenditure will stand at £. 15,811,000; the amount of the income of the last year, as I have before stated it, exceeds this sum by £. 919,000; the average of the amount of the two last years exceeds it by £. 804,000; the average of the three years by £. 607,000; and that of the four years, on which I rest my calculations, by £. 401,000. This then is the comparative view which I take of the permanent income, and the permanent expenditure; and, accord-

ing to the lowest of these calculations, there remains a disposeable annual surplus of about £. 400,000, after defraying the expence of all the establishments, and applying the annual million to the reduction of the public debt.

Before I submit to the Committee the manner in which I would propose to distribute this surplus in future, I wish to advert to the supply, and ways and means for the present year, because in these there will be found some additional articles both of expenditure and of receipt. The supply for each year, as Gentlemen are aware, includes all the establishments and the charges for the various branches of the public service, together with all incidental charges which are defrayed by annual grants. It is independent of the interest and charges of the national debt, of the million annually issued to the Commissioners of the civil list, and of the other charges on the consolidated fund. The amount of all these articles is £. 11,391,000, and being permanently fixed, forms no part of the supply voted in each year.

*Amount of  
annual  
supply  
of the  
Army*

For the navy we have voted, this year, 16,000 seamen, of which the charge is £. 832,000; for what is called the ordinary of the navy, £. 672,000; and for the extraordinary building and repairs (including the works in the dock-yards) £. 350,000. We have also voted  
£. 131,000

£. 131,000 towards the reduction of the navy debt, which is sufficient for defraying the whole of the extra-expences of the naval department in the last year, (including those of the armament) as far as they have not been already defrayed by the surplus arising from former grants. These sums together make £. 1,985,000.

The establishment of the army for the present year is £. 1,474,000; the extraordinaries £. 277,000; besides £. 63,000 advanced for the troops in India, which will ultimately be repaid by the Company. The total voted for the army is £. 1,814,000.

For the ordinary expences of the ordnance there has been voted £. 221,000; for the extraordinaries nearly £. 157,000; and under the head of services performed in former years, but unprovided for, £. 44,000, making in the whole the sum of £. 422,000.

The estimates for the colonies and plantations amount to about £. 31,000.

Various miscellaneous services, including the expence of African forts, the mint, the roads in Scotland, the maintenance and transportation of convicts, the sum paid for printing journals, and some other articles, (particularly a compensation to the owners of African vessels for losses sustained in consequence of the late regulations, and likewise to the settlers removed,

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moved, in the year 1786, from the Musquito shore) amount in the whole to £. 114,000.

There are two other articles which always form part of the annual statement of the supply, under the heads of deficiency of grants, and estimated deficiency of the land and malt, the nature of which is fully explained in the report of the Committee of the last session, and for which allowance is made, though in a different shape, in the comparison of the permanent income and expenditure. The amount of the deficiency of grants is £. 436,000, which includes in it the sum of £. 123,000 repaid to the Bank, in consequence of the diminution of their floating balance, out of which £. 500,000 had been advanced for the supply of last year; and the deficiency on the land and malt may be estimated at £. 350,000.

To these articles I shall propose to add two others; the first is £. 100,000 out of the supplies of the present year, to be applied towards the discharge of the exchequer bills issued on account of the Spanish armament; by which means we shall be enabled to repeal immediately the additional duty on malt, the produce of which for the present year was appropriated to the separate fund created for that purpose. The second is an additional sum to be issued in this particular year, beyond the annual million, for the reduction of the national debt; and on the comparison of the supply with  
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the ways and means for the year, I think it will appear, that this sum may be safely stated at £. 400,000.

I have now enumerated all the articles of the supply, except the debentures to the American Loyalists. These I omit, because they are nearly balanced by the profit on the lottery, which I do not mean to include in the statement of ways and means.

The first article of the estimated ways and means for the present year, is the amount of the annual duties on land and malt, which may here be taken at £. 2,750,000, because exchequer bills will be issued on the credit of these duties to that amount; and the deficiency in the actual produce of the duties will, according to the usual practice, become a charge on the supply of future years, as the deficiency of the produce in former years is a charge on the supply of the present year. The next article consists of the sums which may be expected to be applied towards defraying the supply of the year out of the produce of the consolidated fund. This fund includes in it the whole amount of all the permanent taxes, and is applicable, in the first instance, to the payment, at the end of each quarter, of the permanent charges which I have before had occasion to enumerate. Any surplus which remains after payment of those charges is, from

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about £. 2,684,000, leaving a remainder of £. 486,000.

The further amount of the sum which may be expected to arise from the surplus of the consolidated fund, between the 5th of April 1792 and the 5th of April 1793, I propose to estimate in like manner on the average of the four last years, making the necessary deduction on account of the taxes which I shall, on this day, propose to you to repeal.

The total amount of the revenue on that average, exclusive of land and malt, was £. 13,654,000. The annual amount of the taxes proposed to be repealed is about £. 223,000; but as some arrears will be received from these taxes subsequent to their repeal, the sum to be deducted on this account, in the present year, will not be to that amount, and may be estimated at about £. 163,000. The total amount of the interest of debt and other fixed charges on the consolidated fund is (as I have already stated) £. 11,391,000. There will, therefore, on these suppositions, remain a disposeable surplus of £. 2,100,000, to which is to be added a sum of £. 200,000, which there is good ground to suppose will be repaid to the public, during this year, from the balances of different accounts.—These articles of ways and means added together, amount to £. 5,691,000. The articles of supply which I have enumerated, amount in the whole to £. 5,654,000; so that the ways and means exceed

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exceed the supply, according to this statement, by £. 37,000.

I have already observed that, in the supply of the present year, there are some articles included, which exceed considerably the estimate of the permanent annual expenditure in the several branches of the public service;—these consist principally of the additional sum of £. 400,000 proposed to be issued to the Commissioners; the sum of £. 100,000 granted in lieu of the malt duty; the sum granted for the navy debt; that repaid to the Bank; the advance on account of the troops in India, and some excess in the army estimate; in the unprovided estimate of the ordnance; in the miscellaneous services, and the deficiency of grants; and they all appear peculiar to the present year, and not likely to recur in future; except as far as an annual addition may hereafter be made to the sums issued for the reduction of the national debt.

In speaking, however, of the future expenditure, I am aware that contingencies may occasionally arise, which cannot at present be foreseen; but, as far as I have now the means of judging, I am not aware of any specific article in which there is likely to be an excess beyond the permanent estimate, except in the amount of the small sums which may be still necessary

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for completing the works for the protection of the dock-yards at home, and the expence of carrying into execution the plan of fortifications in the West Indies, which will be a subject of separate consideration. And with a view to these articles, or to other contingencies that may arise, I have the satisfaction of thinking that they will probably be fully balanced by extraordinary resources, beyond the calculated amount of the present income. On the result, then, of these different statements, I think there is no reason to doubt, that we may, in the present year, apply an additional sum of £. 400,000 to the reduction of the national debt, and repeal the temporary duty on malt, at the same time allowing for the repeal of permanent taxes to the amount of about £. 200,000, and for the application of nearly an equal annual sum in future, as a permanent addition to the fund for the discharge of the national debt.

The next point for consideration is, the propriety of the general principle which I have assumed as the foundation of my plan; that of distributing the surplus of our revenue, and applying it in equal proportions to the diminution of taxes, and the reduction of debt. I have thought this the wisest plan which we can adopt, because by combining  
present

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present relief with permanent credit and security, it seems most likely to prevent any temptation hereafter to break in, with a rude hand, on the system for the gradual reduction of our debt. At the same time, this addition to the sinking fund, with the aid of a further sum from a distinct source, which I shall mention presently, and independent of any further increase of revenue, will enable us to make a rapid progress in this important work, and in a very short space of time to reach a point, which perhaps not long since was thought too distant for calculation.

I shall beg the indulgence of the Committee while I state this rather more at large, because it is connected with other considerations which may lead to important measures for enforcing and strengthening our system for the discharge of the national debt. In attempting to form any calculations of the proportion of debt which may be discharged at any particular time, there are some contingencies which can only be stated hypothetically. They may, however, now be reduced to a narrower point than they have been in any former period. One material circumstance which has necessarily been considered as uncertain, is the price of the funds; but, as far as relates to the 3 per cents, this uncertainty

tainty seems to be in a great measure removed, with a view to the question under consideration; for supposing the present state of prosperity to continue, no calculation can reasonably be formed on the idea of paying off any large portion of this stock but at par. Under such circumstances, the principal question would be, Whether the fund for the reduction of debt ought to be applied to the redemption or purchase of the 3 per cents, with a view to the reduction of interest on the 4 per cents, and on the 5 per cents? or, whether it should be applied to the redemption, first, of the 4 per cents, and afterwards (as soon as they become redeemable) of the 5 per cents? Without entering into minute disquisitions on this point, I will only state, that, according to the most accurate calculations which I have seen, the mode of applying the sinking fund to the purchase of the 3 per cents, and making use of the general improvement of credit in order to reduce the interest of the 4 per cents, and of the 5 per cents, (when redeemable) and to carry the saving of interest as an addition to the sinking fund, will on the whole be quicker in its operation than the other mode, though not in any very considerable degree. I shall, therefore, suppose, in the first instance, that an addition of £. 400,000 should be applied in the present year

year to the reduction of debt, and an annual addition, from the revenue, for the next four years, of £. 200,000. When the debentures to the American Loyalists shall be discharged, (which will be in about four years subsequent to the present) the profits arising from the Lottery, which, as I have already stated, are now set against this article of expenditure, will be left free, and will form an addition to the annual surplus. If the addition shall be distributed in the same manner as is now proposed with respect to the present surplus; and if the tickets should continue to bear their present price, a further annual sum of £. 150,000 (after allowing for the repeal of taxes to the same amount) will be applicable to the reduction of debt. Previous to this period, the 4 per cents may naturally be supposed to have been reduced in the first instance to  $3\frac{1}{2}$ , and ultimately to 3 per cent.; and the saving by this reduction of interest will amount at first to about £. 160,000, and when completed, to about £. 320,000. By the operation of the present sinking fund, and of these additions to the redemption of the 3 per cents at par, it may be expected that 25 millions of 3 per cents will have been paid off in the year 1800, after which the 5 per cents become redeemable; and supposing the 3 per cents to continue at par, a further saving

*Produce of the Lottery*

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saving may then in a short time be made, by converting the 5 per cents to 3 per cent. which will amount in the whole to above £. 360,000, and which I likewise suppose to be carried to the aid of the present sinking fund. The material question which on these suppositions it is natural to ask is, When will the sinking fund rise to the amount of 4 millions per annum, which is the limit after which, according to the act of 1786, it is no longer to accumulate, but the interest of the capital which it thenceforth may redeem, is to be left open for the disposition of Parliament? It will amount to that sum, on the suppositions which I have stated, in 1808, a period of about fifteen years from the present time.

I am not, indeed, presumptuous enough to suppose, that when I name fifteen years, I am not naming a period in which events may arise which human foresight cannot reach, and which may baffle all our conjectures. We must not count with certainty on a continuance of our present prosperity during such an interval; but unquestionably there never was a time in the history of this country, when, from the situation of Europe, we might more reasonably expect fifteen years of peace, than we may at the present moment. But in looking forward to this very period, there

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there arises one of the considerations to which I have referred, and which may lead us still to amend and enforce our system for the reduction of debt.

When the sum of four millions was originally fixed as the limit for the sinking fund, it was not in contemplation to issue more annually from the surplus revenue than one million; consequently the fund would not rise to four millions till a proportion of debt was paid off, the interest of which, together with the annuities which might fall in in the interval, should amount to three millions.

But as, on the present supposition, additional sums beyond the original million are to be annually issued from the revenue, and applied to the aid of the sinking fund; the consequence would be that, if that fund (with these additions carried to it) were still to be limited to four millions, it would reach that amount, and cease to accumulate, before as great a portion of the debt is reduced as was originally in contemplation. This effect would be more considerable, if, instead of an annual addition of £. 350,000 in the whole, which is the amount on which I have calculated, the further increase of the revenue should admit (as it probably may) of the application of a larger surplus; and in either of these cases, although the ultimate amount of the sinking fund would be

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equal to what was originally intended, and it would reach that point sooner; yet it would bear a less proportion to the capital of the debt which it would afterwards have to discharge, than it would have done according to the original plan. In order to avoid this consequence, which would, as far as it went, be a relaxation in our system, I should propose, that whatever may be the additional annual sums applied to the reduction of debt, the fund should not cease to accumulate till the interest of the capital discharged, and the amount of expired annuities, should, together with the annual million only, and exclusive of any additional sums, amount to four millions.

But I confess, that, in the present situation of the country, I am inclined to think that we ought not to stop here. What we did in 1786 was, perhaps, as much as could be attempted under the circumstances of that time. At present we ought not to confine our views to the operation of the sinking fund, compared with the debt now existing. If our system stops there, the country will remain exposed to the possibility of being again involved in those embarrassments, which we have, in our own time, severely experienced, and which, apparently, brought us almost to the verge of bankruptcy and ruin. We ought therefore to look forward, in order

to provide a permanent remedy against the danger of fresh accumulation of debt, in consequence of future contingencies. And this, as I shall explain more particularly on some future occasion, may, I am persuaded, be effected without the danger of any inconvenience or embarrassment, which can counterbalance the magnitude of the object.

The measure which I have in view, is to enact, that whenever any loan should take place in future, unless raised by annuities which would terminate in a moderate number of years, there should of course be issued out of the consolidated fund, to the Commissioners for the reduction of the national debt, an additional annual sum, sufficient to discharge the capital of such loan, in the same period as the sinking fund, after reaching its largest amount, will discharge what would then remain of the present debt. The Committee will recollect, that the idea which I am now stating is not new to my mind, though I have never before proposed it as a permanent regulation. Two years from this time, when I had the mortification of thinking that the country might be engaged in an expensive war in consequence of our discussions with the court of Spain, I gave notice that I should propose to follow, very nearly, this system, with respect to any loans which might then

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be necessary. I will not, however, enlarge further on this subject at present. I have already stated enough to shew that the system which I wish to propose is calculated to provide effectually for the discharge of the public debt, at the same time that it diminishes the burdens of the people; and that, in consulting our own immediate ease, we cannot be accused of sacrificing the permanent interests of posterity.

Supposing, therefore, that the distribution which I have suggested should appear to the House fit to be adopted, and that taxes to the amount of £. 200,000 per annum should now be taken off, I will beg leave next, for the purpose of bringing the whole subject under consideration, to state the particular taxes, which, if nothing preferable is suggested by others, I should propose to repeal. And, in making this selection, there are two objects which I wish principally to keep in view. The first, to which it is very material to attend, is, that the actual relief felt by the public should be proportioned to the amount of revenue which is relinquished. Under these descriptions those taxes seem most clearly to be included, which are raised by the mode of assessment, because, as they are paid directly out of the pocket of the individual, and do not pass through circuitous channels, like

taxes

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taxes upon the articles of consumption, where the tax is often blended with the price of the commodity, there can be little doubt that the relief intended to be given, will in these instances be effectual to its fullest extent. The other object which I naturally have in view, is, that the relief intended should apply peculiarly to that class, to whom, on every account, it ought first to be extended, I mean the most necessitous, and the most industrious part of the community.

Combining these objects, the first article to which I have directed my attention is, the temporary duty on malt, imposed in the last session.

The three next taxes which I shall state, are permanent taxes, which fall under the description of being raised by assessment, and which have also the further advantage of extending relief widely, and where we must most wish it to be extended.—The first is the tax upon female servants, which is certainly paid by the poorer class of housekeepers, and which is charged upon about 90,000 different families—the amount is £. 31,000. The next is, the tax upon carts and waggons, which applies to the whole of the yeomanry of the country, to all those who are occupied in agriculture; who pay in this shape a sum not indeed very considerable, but which perhaps is felt, from

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the inconvenience and trouble which it occasions, more than from the burden itself. About 90,000 persons are affected by this tax also, of which the amount is nearly £. 30,000. The third tax applies to the poorest of all the orders of the community, I mean the tax on houses having less than seven windows, which are exempted from the payment of any other tax, but that of three shillings. The amount of the sum is small, but to those who are the objects of it, its repeal will be a substantial relief and comfort, and it will at least be a pledge and earnest of the attention of Parliament to their interests. It extends, I believe, to between three and four hundred thousand houses, and its amount is about £. 56,000.

The next and last which I have to mention is, the last additional tax of a halfpenny per pound on the article of candles, which presses more, perhaps, than any other tax on consumption, upon the class of whom I have been speaking; and if this tax is repealed from a given day, and the duty upon the stock in hand is allowed to all the manufacturers and dealers in that article, I believe there can be no question that the reduction of the price will be in proportion to the duty repealed; its amount is about £. 106,000; and the total of all these taxes is £. 223,000.

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I have now explained the several measures which I shall this day propose to the Committee; but I should think that I left the subject imperfectly discussed, if I did not proceed to lay before you such considerations as may enable you to judge how far there is a reasonable prospect that the fortunate situation which I have described may be permanent. And in order to do this, I wish again to call your attention to the progressive encrease of the revenue, and to state within what periods it has taken place.

If we compare the revenue of last year with that of the year 1786, we shall find an excess in the last year of £. 2,300,000. If we go back to the year 1783, which is the first year of peace, we shall find the encrease since that period, including the produce of the additional permanent taxes which have been imposed in the interval, to be little less than four millions. We shall, I believe, also find, that with the exception of the year 1786, in which the suspension of trade, occasioned by the negotiation for the Commercial Treaty with France, naturally affected the revenue, there is hardly any one year in which the encrease has not been continual.

In examining the branches of revenue,  
we



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we shall find that rather more than one million has arisen from the imposition of new taxes; about one million more in those articles in which particular and separate regulations have been made for the prevention of fraud; and that the remaining sum of two millions appears to be diffused over the articles of general consumption, and must therefore be attributed to the best of all causes—a general increase in the wealth and prosperity of the country.

If we look more minutely into the particular articles on which the revenue arises, we shall still find no ground to imagine, that any considerable part of it is temporary or accidental, but shall have additional reason to ascribe it to the cause which I have just now stated. In the revenue of the customs there is no material article where an increase might be supposed to proceed from the accident of seasons, but that of sugar, and it appears that, upon the average of the four years on which I have formed my calculation, that article has not produced beyond its usual amount.

Many of the articles under the head of customs, in which the augmentation is most apparent, consist of raw materials, the increasing importation of which is, at once, a symptom and a cause of the increasing wealth of the country. This observation will apply, in

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some degree, even to the raw material of a manufacture which has generally been supposed to be on the decline, I mean that of silk. In the article of wool, the increase has been gradual and considerable. The quantity of bar-iron imported from abroad is also increased, though we all know how considerably our own iron works have been extended during the period to which I have referred. There is hardly any considerable article in which there is any decrease, except that of hemp in the last year, which is probably accidental, and that of linen, the importation of which from abroad may be diminished by accidental causes, or perhaps in consequence of the rapid increase of the manufacture of that article at home.

On looking at the articles composing the revenues of excise, the same observations will arise in a manner still more striking. There is, indeed, one branch of that revenue, the increase of which may in part be attributed to the accident of seasons, I mean that which arises from the different articles of which malt is an ingredient; but I am inclined to believe that this increase cannot be wholly ascribed to that cause, because, during all the four years, the amount of the duty upon beer and ale has uniformly been progressive. In the great ar-

ticles of consumption which I will shortly enumerate, without dwelling on particulars—in home-made and foreign spirits, wine, soap, tobacco, the increase has been considerable and uniform. In the articles of bricks and tiles, starch, paper, and printed goods, there has also on the whole been a considerable increase, although there has been some fluctuation in different years.

Almost every branch of revenue would furnish instances of a similar nature. The revenue raised by stamps has increased in the produce of the old duties, while at the same time new duties have been added to a large amount, and the augmentation is, on this head, on the whole, near £. 400,000, a sum which is raised in such a manner as to be attended with little inconvenience to those who pay it. The amount of the duty upon salt during the same period has been progressive. The revenue of the post-office is another article, comparatively small, but which furnishes a strong indication of the internal state of the country. No additional duty has been imposed since the year 1784. In 1785 it yielded £. 238,000, and in the last year £. 338,000. I mention all these circumstances as tending to throw additional light on the subject, and serving to illustrate and confirm the general conclusion to which they all uniformly tend.

If from this examination of the different branches of the revenue, we proceed to a more direct enquiry into the sources of our prosperity, we shall trace them in a corresponding increase of manufacture and commerce.

The accounts formed from the documents of the custom-house, are not indeed to be relied upon as shewing accurately the value of our imports and exports in any one year, but they furnish some standard of comparison between different periods, and in that view I will state them to the Committee. In the year 1782, the last year of the war, the imports, according to the valuation at the custom-house, amounted to £. 9,714,000; they have gradually increased in each successive year, and amounted in the year 1790 to £. 19,130,000.

The export of British manufactures forms a still more important and decisive criterion of commercial prosperity. The amount in 1782 was stated at £. 9,919,000; in the following year it was £. 10,409,000; in the year 1790 it had risen to £. 14,921,000; and in the last year (for which the account is just completed as far as relates to British manufactures) it was £. 16,420,000. If we include in the account the foreign articles re-exported, the total of the export in 1782 was £. 12,239,000; after

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the peace it rose, in 1783, to £. 14,741,000; and in the year 1790 it was £. 20,120,000. These documents, as far as they go (and they are necessarily imperfect) serve only to give a view of the foreign trade of the country. It is more than probable, that our internal trade, which contributes still more to our wealth, has been encreasing in at least an equal proportion. I have not the means of stating with accuracy a comparative view of our manufactures during the same period; but their rapid progress has been the subject of general observation, and the local knowledge of gentlemen from different parts of the country, before whom I am speaking, must render any detail on this point unnecessary.

Having gone thus far, having stated the increase of revenue, and shewn that it has been accompanied by a proportionate increase of the national wealth, commerce, and manufactures, I feel that it is natural to ask, what have been the peculiar circumstances to which these effects are to be ascribed?

The first and most obvious answer which every man's mind will suggest to this question, is, that it arises from the natural industry and energy of the country: but what is it which has enabled that industry and energy to act with such peculiar vigour, and so far beyond  
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the example of former periods?—The improvement which has been made in the mode of carrying on almost every branch of manufacture, and the degree to which labour has been abridged, by the invention and application of machinery, have undoubtedly had a considerable share in producing such important effects. We have besides seen, during these periods, more than at any former time, the effect of one circumstance which has principally tended to raise this country to its mercantile pre-eminence—I mean that peculiar degree of credit which, by a two-fold operation, at once gives additional facility and extent to the transactions of our merchants at home, and enables them to obtain a proportional superiority in markets abroad. This advantage has been most conspicuous during the latter part of the period to which I have referred; and it is constantly increasing, in proportion to the prosperity which it contributes to create.

In addition to all this, the exploring and enterprising spirit of our merchants has been seen in the extension of our navigation and our fisheries, and the acquisition of new markets in different parts of the world; and undoubtedly those efforts have been not a little assisted by the additional intercourse with France, in consequence of the Com-  
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mercial Treaty; an intercourse which, though probably checked and abated by the distractions now prevailing in that kingdom, has furnished a great additional incitement to industry and exertion.

But there is still another cause, even more satisfactory than these, because it is of a still more extensive and permanent nature; that constant accumulation of capital, that continual tendency to increase, the operation of which is universally seen in a greater or less proportion, whenever it is not obstructed by some public calamity, or by some mistaken and mischievous policy, but which must be conspicuous and rapid indeed in any country which has once arrived at an advanced state of commercial prosperity. Simple and obvious as this principle is, and felt and observed as it must have been in a greater or less degree, even from the earliest periods, I doubt whether it has ever been fully developed and sufficiently explained, but in the writings of an author of our own times, now unfortunately no more, (I mean the author of the celebrated Treatise on the Wealth of Nations) whose extensive knowledge of detail, and depth of philosophical research, will, I believe, furnish the best solution to every question connected with the history of commerce, or with the systems of political

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political economy. This accumulation of capital arises from the continual application, of a part at least, of the profit obtained in each year, to increase the total amount of capital to be employed in a similar manner, and with continued profit in the year following. The great mass of the property of the nation is thus constantly increasing at compound interest, the progress of which in any considerable period, is what at first view would appear incredible. Great as have been the effects of this cause already, they must be greater in future; for its powers are augmented in proportion as they are exerted. It acts with a velocity continually accelerated, with a force continually increased.

*Mobilitate viget, viresque acquirit eundo.*

It may indeed, as we have ourselves experienced, be checked or retarded by particular circumstances—it may for a time, be interrupted, or even overpowered; but, where there is a fund of productive labour and active industry, it can never be totally extinguished. In the season of the severest calamity and distress, its operations will still counteract and diminish their effects;—in the first returning interval

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interval of prosperity, it will be active to repair them. If we look to a period like the present, of continued tranquillity, the difficulty will be to imagine limits to its operation. None can be found, while there exists at home any one object of skill or industry short of its utmost possible perfection;—one spot of ground in the country capable of higher cultivation and improvement; or while there remains abroad any new market that can be explored, or any existing market that can be extended. From the intercourse of commerce, it will in some measure participate in the growth of other nations, in all the possible varieties of their situations. The rude wants of countries emerging from barbarism, and the artificial and encreasing demands of luxury and refinement, will equally open new sources of treasure, and new fields of exertion, in every state of society, and in the remotest quarters of the globe. It is this principle which, I believe, according to the uniform result of history and experience, maintains on the whole, in spite of the vicissitudes of fortune, and the disasters of empires, a continued course of successive improvement in the general order of the world.

Such are the circumstances which appear to me to have contributed most immediately to  
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our present prosperity. But these again are connected with others yet more important.

They are obviously and necessarily connected with the duration of peace, the continuance of which, on a secure and permanent footing, must ever be the first object of the foreign policy of this country. They are connected still more with its internal tranquillity, and with the natural effects of a free but well-regulated government.

What is it which has produced, in the last hundred years, so rapid an advance, beyond what can be traced in any other period of our history? What but that, during that time, under the mild and just government of the illustrious Princes of the family now on the throne, a general calm has prevailed through the country, beyond what was ever before experienced; and we have also enjoyed, in greater purity and perfection, the benefit of those original principles of our constitution, which were ascertained and established by the memorable events that closed the century preceding? This is the great and governing cause, the operation of which has given scope and effect to all the other circumstances which I have enumerated.

It is this union of liberty with law, which, by raising a barrier equally firm against the encroachments of power, and the violence of  
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popular

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popular commotion, affords to property its just security, produces the exertion of genius and labour, the extent and solidity of credit, the circulation and increase of capital; which forms and upholds the national character, and sets in motion all the springs which actuate the great mass of the community through all its various descriptions.

The laborious industry of those useful and extensive classes (who will, I trust, be in a peculiar degree this day the objects of the consideration of the House) the peasantry and yeomanry of the country; the skill and ingenuity of the artificer; the experiments and improvements of the wealthy proprietor of land; the bold speculations and successful adventures of the opulent merchant and enterprising manufacturer; these are all to be traced to the same source, and all derive from hence both their encouragement and their reward. On this point therefore let us principally fix our attention, let us preserve this first and most essential object, and every other is in our power! Let us remember, that the love of the Constitution, though it acts as a sort of natural instinct in the hearts of Englishmen, is strengthened by reason and reflection, and every day confirmed by experience; that it is a Constitution which we do not merely ad-

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mire from traditional reverence, which we do not flatter from prejudice or habit, but which we cherish and value, because we know that it practically secures the tranquillity and welfare both of individuals and of the public, and provides, beyond any other frame of government which has ever existed, for the real and useful ends which form at once the only true foundation and only rational object of all political societies.

I have now nearly closed all the considerations which I think it necessary to offer to the Committee.

I have endeavoured to give a distinct view of the surplus arising on the comparison of the permanent income (computed on the average which I have stated) with what may be expected to be the permanent expenditure in time of peace; and I have also stated the comparison of the supply, and of the ways and means of this particular year. I have pointed out the leading and principal articles of revenue in which the augmentation has taken place, and the corresponding increase in the trade and manufactures of the country; and finally, I have attempted to trace these effects to their causes, and to explain the principles which appear to account for the

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striking and favourable change in our general situation. From the result of the whole, I trust I am entitled to conclude, that the scene which we are now contemplating is not the transient effect of accident, not the short-lived prosperity of a day, but the genuine and natural result of regular and permanent causes. The season of our severe trial is at an end, and we are at length relieved, not only from the dejection and gloom which a few years since hung over the country, but from the doubt and uncertainty which, even for a considerable time after our prospect had begun to brighten, still mingled with the hopes and expectations of the public. We may yet, indeed, be subject to those fluctuations which often happen in the affairs of a great nation, and which it is impossible to calculate or foresee; but as far as there can be any reliance on human speculations, we have the best ground, from the experience of the past, to look with satisfaction to the present, and with confidence to the future: "*Nunc demum, redit animus, cum non spem modo ac votum securitas publica, sed ipsius voti fiduciam et robur assumpserit.*" This is a state not of hope only, but of attainment; not barely the encouraging prospect of future advantage, but the solid and immediate benefit of present and actual possession.

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On this situation and this prospect, fortunate beyond our most sanguine expectations, let me congratulate you, and the house, and my country! And before I conclude, let me express my earnest wish, my anxious and fervent prayer, that now in this period of our success, for the sake of the present age and of posterity, there may be no intermission in that vigilant attention of Parliament to every object connected with the revenue, the resources, and the credit of the state, which has carried us through all our difficulties, and led to this rapid and wonderful improvement;—that still keeping pace with the exertions of the Legislature, the Genius and Spirit, the Loyalty and Public Virtue of a great and free People, may long deserve, and (under the favour of Providence) may ensure the continuance of this unexampled prosperity; and that Great Britain may thus remain for ages in the possession of these distinguished advantages, under the protection and safeguard of that Constitution, to which (as we have been truly told from the Throne) they are principally to be ascribed, and which is indeed the great source, and the best security of all that can be dear and valuable to a Nation!

A debate

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A debate then took place, on the conclusion of which the Committee, without any division, came to the following resolutions:

Resolved,

That, from and after the 5th day of April 1792, the duties charged by an act made in the 31st year of the reign of his present majesty, intituled, "An act for granting to his majesty additional duties upon malt," do cease and determine.

Resolved,

That, from and after the 5th day of April 1792, the duties on female servants, charged by an act, made in the 25th year of the reign of his present majesty, intituled, "An act to repeal the duties on male servants, and for granting new duties on male and female servants," do cease and determine.

Resolved,

That, from and after the 5th day of April 1792, the duties charged by an act, made in the 23d year of his present majesty, intituled, "An act for granting to his majesty several rates and duties upon waggons, wains, carts, and other such carriages, not charged with any duty under the management of the commissioners of excise," do cease and determine.

Resolved,

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Resolved,

That, from and after the 5th day of April 1792, the duties now payable on certain inhabited houses, containing less than seven windows or lights, charged by an act of the 6th year of the reign of his present majesty, do cease and determine.

Resolved,

That, from and after the 5th day of April 1792, one half-penny in the pound of the duty upon all candles (except wax and spermaceti candles) do cease and determine.

Ordered,

That a bill, or bills, be brought in upon the said resolutions; and that the Earl of MORNINGTON, Mr. CHANCELLOR of the EXCHEQUER, Mr. EDWARD JAMES ELIOT, the LORD BAYHAM, Mr. HOPKINS, Mr. ATTORNEY GENERAL, Mr. SOLICITOR GENERAL, Mr. ROSE, and Mr. CHARLES LONG, do prepare, and bring in, the same.

And in the committee of supply on the same day, it was resolved to grant to his majesty the sum of £. 400,000, to be issued and paid to the governor and company of the Bank of England, to be by them placed to the account of the commissioners for the reduction of the national debt.

F I N I S.



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