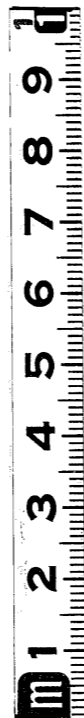


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T H O U G H T S

CONCERNING THE

CONSTITUTIONAL PRINCIPLES

IN POINTS OF

FINANCE AND PERSONAL SERVICE,

THAT OUGHT TO BE ADOPTED IN FUTURE, FOR THE SUPPORT OF THE BRITISH NAVY AND ARMY, PRIOR TO, AND DURING THE ESTABLISHMENT OF A COMMERCIAL UNION BETWEEN GREAT BRITAIN AND IRELAND.

DEDICATED TO THE

RIGHT HONOURABLE THOMAS ORDE,

FIRST SECRETARY TO HIS GRACE CHARLES DUKE OF RUTLAND,  
LORD-LIEUTENANT OF IRELAND.

PRINTED IN THE YEAR

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TO THE  
RIGHT HONOURABLE THOMAS ORDE,  
FIRST SECRETARY TO HIS GRACE  
CHARLES DUKE OF RUTLAND, LORD-LIEUTENANT  
OF IRELAND,  
THE FOLLOWING THOUGHTS ARE DEDICATED,  
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**T H O U G H T S**

**CONCERNING THE  
CONSTITUTIONAL PRINCIPLES OF FINANCE AND PERSONAL SERVICE that ought to be adopted in future, for the Support of the BRITISH NAVY and ARMY.**

**I**N an empire, composed, as the British, of countries detached, and at a distance from one another, there seems to be a great jealousy of Great Britain interfering in regulating the commerce, or internal taxation of the other component parts of it. This circumstance will be made fully evident to us, when, divesting ourselves of prejudice and party principles, we inquire into the reasons that gave rise to the present independency of the American colonies, and to the removal of those restraints that Great Britain had formerly imposed upon the commerce of Ireland.

When, upon general principles of liberty, it is left in such an empire as the British, to each independent country to make the most of its natural situation in point of commerce, a naval and military union will then become the darling object of all the component parts of it. It has long been a common and hackneyed observation, that the excellency of the constitution of England consists in having fixed laws, and that most of her civil and commercial advantages flow from this source.

A Seeing,

Seeing, therefore, that this country has expended more than 246 millions, in support of the various wars she has been engaged in, it is a point of great importance, to consider how the above boasted advantage may be introduced into the establishments of her imperial navy and army, under such regulations as tend immediately to the reduction of such debt, and to the prevention of it in future. To the parent country of so extensive an empire as the British, having possessions in every part of the globe, many external circumstances must happen in the course of human affairs, which, in a certain degree, must make her alter her internal constitution, so as to secure these distant possessions. The question, therefore, in regard to these internal alterations, turns upon this nice point, Will they, when they take place, be of more advantage than disadvantage to her: or, in other words, is a small internal inconvenience to be borne for the sake of a great external blessing? Upon this rests the defence of the thoughts here suggested, concerning the constitutional principles of finance, and personal service that ought to be adopted in future, for the support of the British navy and army. As money and men are the two sinews of war, it is curious to trace, in the history of Great Britain, how that a want of the latter, or rather a deficiency in the constitutional power, to call forth the latter, has frequently led into an immense expenditure of money; or, in other words, according to the principles suggested in this tract, Great Britain may do as much in point of exertion, in one campaign, as she has in any two formerly.

I. In treating of this subject, it may be proper to state, *1<sup>st</sup>*, The advantages and disadvantages of the present system of funding, with respect to commerce or national exertion, in any future war. *2<sup>dly</sup>*, To point out what steps ought to be pursued in a future systematic arrangement of such.

II. To

II. To prove, that, along with such national improvements, a constitutional power ought to be vested in the executive hands of Government, to call upon each district of the empire, to afford for the navy or army a quota of men, according to its number, fit to carry arms. In the course of which, the subject will naturally lead into a discussion of the present defects of recruiting both navy and army.

The advantages and disadvantages of the present system of funding, with respect to commerce or national exertion in any future war, first come under consideration.

It is observed by an ingenious and patriotic writer, where he states the advantages and disadvantages of our funded system, "That the facility with which individuals, in a country where public debt exists, can lay out the property they have acquired by their labour or ingenuity, without the risk of commercial bankruptcies, or the unavoidable expences and small profits which landed estates yield, and without even abandoning their professions, is no small encouragement to industry. To a certain extent, therefore, such public securities are highly useful to a trading people\*." The question is, then, How far such securities ought to extend, and where they ought to stop? To solve such, let the national debt of 1762 and 1775 be stated; and, as it is generally allowed, that trade flourished as much during that period, as in any former one, so it is a fair inference, that the mean of our public debt, during those dates, ought to be our future *ne plus ultra*.

<i>Debt 1762.</i>	<i>Interest.</i>
L. 146,682,844.	L. 4,840,821.
Total debt at Midsummer 1775.	
L. 135,943,051.	Interest L. 4,440,821.
L. 140,000,000 will nearly be the mean of our public debt between 1762 and 1775.	

" It

\* History of the Public Revenue of the British Empire, Part II. p. 24.



[ 4 ]

“ It is pleasing, as well as useful,” says the author of the Commercial and Political Atlas, “ to observe, at one view, the  
 “ progressive increase of commerce for a period of seventy  
 “ years. It is agreeable to comprehend, at a single glance,  
 “ the affairs of a nation as completely as we can those of an  
 “ individual; and to observe, that, in the year 1771, our com-  
 “ merce had increased nearly to three times what it was in  
 “ the beginning of this century.

“ It is not, indeed, equally pleasing to observe, that, in the  
 “ short period of the ten following years, the same commerce  
 “ had decreased as much as the industry of men had raised  
 “ it in forty-four years before. In the year 1781, the ex-  
 “ ports were only as great as they had been in the year 1727.

“ It may be hazarded as a conjecture, that, till about the  
 “ 1750, our riches had increased more rapidly than our luxu-  
 “ ry; but, that ever since, till the year 1771, our luxury, or  
 “ expences at home, increased above their usual proportion.

“ The increase of luxury did not, however, affect our wel-  
 “ fare, nor impede our success; for at that time, the ex-  
 “ ports were greater than they had been at any former pe-  
 “ riod.

“ In 1772, our affairs suffered a reverse, by the artificial  
 “ capital of our merchants being suddenly withdrawn, owing  
 “ to the imprudent conduct and speculations of some remark-  
 “ able men: Speculations which destroyed, in a great mea-  
 “ sure, that mutual confidence, which, in reality, made every  
 “ private merchant a private bank, and enabled us to give  
 “ longer credit than any nation in the world. On this event  
 “ did trade instantly decline.

“ The same sort of circumstances that occasioned the sud-  
 “ den fall in 1772, occasioned a much greater in 1782; for  
 “ the capital employed in the English trade consists partly  
 “ in money, and partly in credit, not from foreigners, but  
 “ among ourselves. This last portion of our capital was  
 “ nearly destroyed in the year 1772. But the immense ex-  
 “ pence

[ 5 ]

“ pence of the American war destroyed the more substantial  
 “ in a great degree also. We had an hundred millions more  
 “ employed in trade in 1772 than in 1782. The least profit  
 “ that sum could bring was eight millions a-year. One cause  
 “ of the decline of trade is therefore very evident. In for-  
 “ mer wars, the capital has also been withdrawn; but, during  
 “ former wars, there was a circumstance that prevented the  
 “ effects from being so much felt: The artificial capital raised  
 “ by credit was not so great, and had not been stretched to  
 “ the utmost, as in latter times; it therefore increased, and  
 “ made up for the deficiencies in real capital, so that the na-  
 “ tional loans were not then so hurtful as they are now.

“ It is probable, that unless a long peace intervenes, to  
 “ enable us to increase our capital, every future loan will be  
 “ attended with the same decay of trade.

“ Without making useless reflections on what is past, our  
 “ business is to take as expanded a view as possible, of all  
 “ circumstances, and to consider from the past and the present  
 “ complexion and appearance of things, what probably it  
 “ may be best to do with an eye to futurity, not forgetting  
 “ that the politics of a nation acquiring wealth by commerce,  
 “ are widely different from that of a nation getting riches ei-  
 “ ther by conquest or colonies.

“ The numerous and the immense burdens that the manu-  
 “ factures of this country have already sustained, have occa-  
 “ sioned the belief that they will bear them to almost any  
 “ amount. Though it is true, that burdens operate in some  
 “ degree in promoting industry, yet it is but to a very limit-  
 “ ed extent that they have such tendency; and as there must  
 “ be a point where that ceases to be the operation, it is not  
 “ unfair to conclude, that the period when trade became af-  
 “ fected, and began to diminish, was the same in which this  
 “ took place. We may, if we go by this rule, fix on the  
 “ commencement of the last war for that æra, when our ma-  
 “ nufactures

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“ manufactures would no longer thrive under additional bur-  
dens.”

Having therefore seen, that in 1772 there were at least many more millions employed in trade than in 1782, all of which, to the amount of 110 millions, are now vested in the British funds, and having stated the commencement of last war to be the period when our manufactures began to feel the bad effect of the burdens laid upon them, it may be proper now to show what measures will bring us back to our former envied situation. If, in former periods of the funded history of this country, a reduction of interest has been made, still more so is it now necessary, when an appropriation of such may be made for the future exigencies of war, and discharge of taxes, aided with another annual million from the present general fund of taxes. The defence of which measure is best founded, upon showing the measures this country has formerly pursued in regard to high premiums upon the national loans, and reduction of interest at various periods. Necessity of state may now be pleaded with more truth and energy than at any former period in the history of this country.

STATE of DEBT contracted during the various wars Great Britain has been engaged in, as stated in Sir JOHN SINCLAIR'S history of the public revenue, with the premiums during both the last wars.

	<i>Principal.</i>	<i>Interest.</i>
National debt at the Revolution,	L. 664,263	39,855
Increase during the reign of King William,	15,730,439	1,271,087
Debt at the accession of Queen Anne,	16,394,702	1,310,942
Increase during the reign of Queen Anne,	37,750,661	2,040,416

Debt

	<i>Principal.</i>	<i>Interest.</i>
Debt at the accession of George I.	L. 54,145,363	3,351,358
Decrease during the reign of George I.	2,053,128	1,133,807
Debt at the accession of George II.	52,092,235	2,217,551
Decrease during the peace,	5,137,612	253,526
Debt at the commencement of the Spanish war 1739,	46,954,623	1,964,025
Increase during the war,	31,338,689	1,096,979
Debt at the end of the Spanish war 1748,	78,293,312	3,061,004
Decrease during the peace,	3,721,472	664,287
Debt at the commencement of the war 1755,	74,571,840	2,396,717
Increase during the war,	72,111,004	2,444,104
Debt at the conclusion of the peace 1762,	146,682,844	4,840,821
Decrease during the peace,	10,739,793	400,000
Debt at the commencement of the American war,	135,943,051	4,440,821
Increase during the war,	110,279,341	4,703,092
Amount of our present national debt, L.	246,222,392	9,143,913

GENERAL



GENERAL VIEW of the Principal REDUCTIONS which have taken place in the Interest of the public Funds of Great Britain.

1. REDUCTION.

To the reduced interest of various funds from 6 to 5 *per cent.*, anno 1717, - L. 324,455 10 10 $\frac{1}{4}$

2. REDUCTION.

1. To the reduction, by the bargain with the South Sea Company, from 5 to 4 *per cent.* commencing Midsummer 1727, L. 339,631 3 10
2. To the reduction on part of the debt due to the Bank at ditto, in consequence of a separate agreement, exclusive of the four millions purchased from the South Sea Company, - - L. 37,750 5 6 $\frac{3}{4}$

3. REDUCTION.

1. To various annuities, reduced from 4 to 3 *per cent.* at different periods, from December 1750 to ditto 1757, including only the annuities subscribed, or afterwards admitted, - L. 544,134 6 8 $\frac{1}{4}$
  2. To 2,100,000 borrowed at 3 *per cent.* to pay certain unsubscribed 4 *per cent.* South Sea annuities, - - L. 21,000 0 0
- L. 1,266,971 6 11 $\frac{1}{2}$

STATE

STATE of the FUNDED DEBT paid off since the first Establishment of a Sinking Fund.

Year.						
1723,	—	—	—	L. 1,204,786	3	4 $\frac{1}{2}$
1724,	—	—	—	333,447	18	4
1727,	—	—	—	650,453	2	8 $\frac{1}{2}$
1728,	—	—	—	1,000,000	0	0
1729,	—	—	—	1,275,027	17	10 $\frac{1}{2}$
1730,	—	—	—	1,000,000	0	0
1731,	—	—	—	1,000,419	16	4
1732,	—	—	—	1,000,000	0	0
1733,	—	—	—	913,115	15	3 $\frac{1}{2}$
1734,	—	—	—	86,884	4	8 $\frac{1}{4}$
1736,	—	—	—	1,000,000	0	0
1737,	—	—	—	1,000,000	0	0
1738,	—	—	—	1,000,000	0	0
1751,	—	—	—	368,771	2	4
1752,	—	—	—	821,270	13	9
1765,	—	—	—	870,888	5	5 $\frac{1}{2}$
1766,	—	—	—	870,888	5	5 $\frac{1}{2}$
1767,	—	—	—	2,616,776	10	11
1768,	—	—	—	1,750,000	0	0
1769,	—	—	—	875,000	0	0
1770,	—	—	—	1,500,000	0	0
1772,	—	—	—	1,500,000	0	0
1774,	—	—	—	1,000,000	0	0
1775,	—	—	—	1,000,000	0	0
				L. 24,637,729	16	6 $\frac{1}{4}$

From

From a perusal of the above state of funded debt paid off since the first establishment of a sinking fund, it may be seen how impolitic it is not to appropriate such fund invariably. The consideration therefore of the small efficacy of this fund formerly, from the misapplication of it, ought to teach the public a useful lesson in future, to appropriate adequate funds for her debts, and see them invariably applied\*.

To demonstrate what effect the system of funding has had upon commerce, let the state of the public debt from 1762 to 1785, be contrasted with the exports and imports of trade during each year. Such state will show that 140,000,000 is nearly the sum at which our funded debt should always remain for naval and military accumulation, and for the purposes and conveniency of commercial transfer.

To ascertain the propriety of limiting the funded system to L. 140,000,000, let the fluctuations in value of the capital of the following stocks, viz. 5, 4, and 3 per cents be compared during last war, and the preceding one. Then let the mean of the fluctuations of the former be contrasted with the mean of the fluctuations of the latter.

It is evident that the present system of funding, to the great amount of 246 millions, has entailed upon this country the two following evils.

1st, A great abstraction of capital formerly vested in trade.

2dly, Such a load of taxes, that manufactures feel the inconvenience of them very much.

The present system of funding has this bad effect also, that the evils of our forefathers are visited upon their children, even until many generations afterwards; whereas the system recommended in this tract, blends the foresight of accumulation, with the plan of raising the supplies in the year by national assessments.

\* Dr Price is of opinion, that considerable advantages might be derived from Lotteries in paying the public debts. See his Observations on reversionary payments, and on the National debt, pages 144. 159.

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The union of the two, along with judicious limits to public funding, is not attended with the inconveniencies of overstrained taxation, that now attend the present system of funding, or the compulsive idea of raising the supplies within the year. In a free government, the more gradual and evenly progressive things are in their operation, so much the better.

It is impossible, therefore, that this country can make any great exertions in a future war, unless attention is now paid to remove, during peace, the above evils. The discussion of which leads me to point out, 2dly, What steps ought to be pursued in a future systematic arrangement of public debt.

To strengthen public credit, therefore, and give it such real stability, as will stand all the future issues of war, and as preparatory to the adoption of such constitutional principles as are here suggested, for the future support of the British navy and army, two great movements ought to be made by the landed and funded interest of Great Britain.

1st, That one million from the land-tax, or a million from the general fund of taxes, should be annually appropriated to the purchasing of so much stock.

2dly, That the proprietors of stock should consent to one million of their present interest being appropriated in the same manner, until the accumulation shall amount to four millions of free annual revenue, and public debt is reduced to L. 140,000,000.

When the accumulation shall amount to a free annual revenue of four millions, the capital of such should remain as a provision, ready to be sold out for the future exigencies of war. However, if peace continue, the above four millions, together with the two appropriated millions, and what government-annuities have fallen in, should go to the purchasing stock, for discharging taxes, according to the annual amount of such purchase, until public debt is reduced to 140 millions.

The capital of the above accumulation of four millions per annum;

D



*annum*, is to be included in the 140 millions. When public debt is reduced to 140 millions, the above free revenue of four annual millions, should go to support the peace-establishment of the navy and army : and the above appropriated million, together with what government-annuities have fallen in, should remain to be disposed of, as Parliament shall direct. But, in time of war, or when the free revenue does not amount to four annual millions, the above appropriated million, together with what government-annuities have fallen in, should be applied either to support the expences of war, or to purchase up stock, until the free revenue amounts to four annual millions.

In return to the proprietors of stock, for the annual million now proposed to be subtracted from their present dividends, government shall become bound to discharge the capital of such million last, in order of the reduction of the public debt to 140 millions, and, as a premium, to annex to the annual amount of such discharge, all the government-annuities that have fallen in. The discharge of such ought to be drawn for at the Bank, in the mode of a lottery, each year, until the capital of such million is paid off.

Dr Price, in his Observations on the national debt, page 147, affirms, that a fund yielding 1 *per cent.* surplus, annexed to a loan at 5 *per cent.* would discharge the principal in thirty-seven years, at 4 *per cent.* in forty-one years, at 3 *per cent.* in forty-seven years.

The reader, therefore, with the assistance of the preceding and following tables and queries, may easily calculate the particulars of the above scheme of finance.

The object and intention of the Author of this tract, in publishing it, have been to fix the attention of old experienced heads, to the subjects therein handled, that some of them may be induced to point out what is practicable, and what is not, in the plans here laid down.

QUERY

QUERY I.

Which is the best and most judicious plan to be pursued in purchasing stock for the above accumulation of four millions of annual revenue, with the above two millions of annual surplus, and government-annuities, as they fall in?

QUERY II.

When the two millions of annual surplus, aided by annuities falling in, have accumulated to four millions of free annual revenue, in what time will these six millions, and the public annuities that have fallen in, reduce the capital of the present national debt to 140 millions, by discharging taxes annually as far as these six millions and annuities can purchase stock?

QUERY III.

When government, in time of war, comes to sell out a large quantity of accumulated stock, will the value of the capital of such stock, when limited to 140 millions, be liable to as great fluctuation, as, according to the former method of funding, when high premiums were given to the money lenders?

During last war, the 3 *per cents* were as low as 54. When Mr Pitt had laid on, and arranged his taxes, appropriating L. 1,000,000 for the annual purchase of stock, they rose to above 77 and 78. The application, therefore, of L. 1,000,000 of the present interest of the funds, deducted equally from every million of dividend, and applied to future accumulation, for the exigencies of war, and discharge of taxes, will have a still further effect to raise the value of the capital of stock, according to the *ratio* of redemption. As it is proposed, therefore, in the present tract, to discharge such million of deduction last, in order of redeeming public debt to 140 millions, with a premium of L. 571,822 : 10 : 6 annexed to each L. 6,000,000 applied to such discharge ; so it may be observed, that

that the proprietors of stock will be rather gainers than losers, because the plan of subtracting a certain quota from their dividends is only temporary, and is counterbalanced by the quick redemption of stock having an evident tendency to raise the value of the capital. Every person knows how convenient it is to be able to sell out so high, or higher than the above 77 or 78, either for commercial purposes, purchasing land, or discharging mortgages upon land.

According to the above view of the principal reductions that have taken place in the interest of the public funds, it appears, that, prior to 1757, and upon a capital of debt that never exceeded L. 87,226,016, including all the debt discharged by the sinking fund before that date, there have been reductions of interest made at different times to the amount of an annual revenue of L. 1,266,971 : 6 : 11½. If the holders of stock acquiesced then in such reductions, even when the whole of such were alienated from them, how much more ought they, upon a debt amounting to 246 millions, to consent to the temporary application of L. 1,000,000 of their present dividend, to the purposes mentioned in this tract. In the plan here laid down, there is no total alienation of present dividend proposed, but such an appropriation as has an evident tendency to keep up the present value of the capital of stock, and to discharge such afterwards, with a considerable premium.

No. I.

No. I.

By an Account annexed to the Report from the Select Committee of the House of Commons, appointed to examine and state the public Income and Expenditure, it appears, that the Annuities for long terms of years, and the times when they will respectively fall in, are as follow:

<i>Annuities for long Terms.</i>	<i>Annuity, together with the Expences of Management.</i>	<i>Times when the said Annuities fall in.</i>
For 10 years,	L. 25,351 11 3	April 5. 1787.
On 2-7ths, } 9d. excise, }	6,515 12 0	Oct. 10. 1790.
On 99 years } excise, }	49,715 2 6	Jan. 25. 1792.
L. 3700 per } week excise, }	31,830 6 8	April 5. 1803.
1706, —	24,724 11 6	Ditto 1805.
1707, —	8,152 2 2	Ditto 1806.
Act 1. 1708.	4,918 12 7	Ditto 1807.
Act 2. 1708.	10,597 5 3	July 5. 1807.
For 30 and 29 } years, }	410,017 6 7	Jan. 5. 1808.
For 99, 98, 80, } 78, 77, and } 75 years } and ½,	689,942 15 4	Jan. 5. 1860.
	<hr/> 1,261,765 5 10	

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No. II.

No. II.

Explanation of the manner in which the following Table is formed.

By No. I. it appears, that an annuity of L. 25,351 odd shillings, (including the expences of management), will fall in on the 5th day of April 1787; consequently, on the 5th day of April 1788, there will be L. 25,351 to be added to the L. 2,000,000 annual surplus which has been suggested in this tract, the said two sums making together the sum of L. 2,025,351 will be found in the third column of the said table, opposite to the year 1788. This is the manner in which the several sums contained in the said third column are made out.

It also appears by No. I. that an annuity of L. 6515 odd shillings, will fall in on the 10th day of October 1790: Therefore, on the 5th day of April 1791, one half-yearly payment of the said annuity will accrue to the public; that is to say, L. 3257 odd shillings, which sum will be found in the fourth column of the said table, opposite to the year 1791.

This is the manner in which the four sums contained in the said fourth column are made out.

1st Column.	2d Column.	3d Column.	4th Column.
Number of years from the present time.	On the 5th day of April, in the following years.	The two millions annual surplus, together with such annuities for long terms of years as shall fall in, will be as follow:	Fractional parts of Annuities, as explained above.
0	1786.	L. 0,000,000	
1	1787.	2,000,000	
2	1788.	2,025,351	
3	1789.	2,025,351	
4	1790.	2,025,351	
5	1791.	2,025,351 —	L. 3,257
6	1792.	2,031,866 —	L. 12,428
7	1793.	2,081,581	
8 to 17	1794 to 1803	2,081,581	
18	1804.	2,113,411	
19	1805.	2,113,411	
20	1806.	2,138,135	
21	1807.	2,146,287	
22	1808.	2,151,205	L. 7947, and L. 102,504
23	1809.	2,571,819	
24	1810.	2,571,819	
&c.	&c.	&c.	

EXTRACT from Earl STANHOPE's Observations on Mr PITT's Plan for the Reduction of the National Debt, page 12. Article 28.

By an Account from the Exchequer, laid before the House of Commons, it appears, that on the 5th day of January 1786, exclusive of annuities for long terms, annuities for two or three lives, Exchequer bills made out for interest of old bills, and annuities for lives, with the benefit of survivorship.

There are of 3 per cents	-	L. 186,611,254	15	4 $\frac{3}{4}$
of 4 per cents	-	32,750,000	0	0
of 5 per cents	-	17,869,993	9	10
		L. 237,231,248	5	2 $\frac{3}{4}$

By reference to No. I. it appears, that before, and on the 5th of January 1860, there will fall into government L. 1,261,765 : 5 : 10 of annuities, the various sums and dates are specified in No. I.

STATE of the Consequences of the constitutional Principles of FINANCE and PERSONAL SERVICE, recommended in this Tract, to be adopted in future for the Support of the British Navy and Army.

1st, They prepare fully for the exigencies of war, so as to remove all fear of national bankruptcy.

2dly, They operate, in case this country is not at war, as a more effectual plan of reduction of debt, than either Mr Pitt's plan or Earl Stanhope's, by the excess of one million annually accumulating.

3dly,

3dly, By limiting public debt to L. 140,000,000, they prevent the above-mentioned abstraction of capital from commerce, and that immense load of taxes under which the British manufactures now suffer.

4thly, They point out the advantages and disadvantages of funding, proving where the line ought to be drawn for the benefit of commerce and national defence. They demonstrate, that Earl Stanhope's idea of total redemption of debt would be very impolitic. By blending the foresight of accumulation with the plan of raising the supplies in the year, government can appropriate the most judicious taxes in peace, so as in a great measure to save the former premium or douceur given in time of war. The saving, with accumulating interest thereon, will appear immense, when stated progressively from the first date of funding in Great Britain.

As the purchase of 3 per cent. stock is made by the above two millions of annual surplus, and government-annuities falling in; so the conversion of such stock into 4 per cent. stock, may be made by government.

5thly, As the rejection of the late Irish propositions was certainly owing to the complication of them, arising from the difficulty of settling the debtor and creditor account between the two kingdoms; so the plan here laid down points out the proper principles of a naval and military union with Ireland; and, 2dly, The time that such union should take place, when public debt is reduced to 140 millions. The ideas here suggested, of a naval and military union, are plain and simple; and therefore must meet with general approbation, from their being universally understood.

The Parliament of Ireland may superintend the accumulation and expenditure of their own naval and military assessments, the money of which may be vested in the British funds. See consequence 5th, under the head of Personal Service.

6thly, As money and men are the two sinews of war, so they point out the constitutional principles that ought to be adopted in recruiting both navy and army. Each of these heads taken

ken separately is of great importance, but how much more so, when they are all viewed in a systematic arrangement.

Objections that may be stated against some of the measures here recommended, when viewed singly, lose their edge and importance, when the whole is brought together, and weighed in one balance.

7thly, As according to the measure recommended in this tract, of appropriating one million of the present interest of the funds, added to a million from the present sinking fund, and aided by the government-annuities that fall in, for naval and military accumulation, and for the future discharge of taxes, there will be more stock bought up by government than there is at present; so it will have an immediate effect in raising the value of the capital of stock.

EXTRACT from Earl STANHOPE'S Observations on Mr PITT'S Plan for the Reduction of the National Debt.

"1st, It is proposed by such plan, and enacted by Parliament, that, at the end of every quarter of a year, ending the 5th day of January, 5th day of April, 5th day of July, and 10th day of October in every year, there shall be issued from the moneys composing the sinking fund, a sum of L. 250,000. The deficiency of one quarter to be made good by the overplus of another, or by other parliamentary aids.

"2d, The above money is directed to be issued and paid to the Governor and Company of the Bank of England, to be by them placed in their books, to the account of six commissioners, viz. Speaker of the House of Commons, Chancellor of the Exchequer, Master of the Rolls, Accomptant-general of the court of Chancery, the Governor and Deputy-governor of the Bank of England for the time being. Such money to be applied to the reduction of the national debt. These commissioners are also directed to apply hereafter, to the same purpose, all the

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public annuities for long terms of years, or for lives that may fall in, and likewise all dividends now payable on the principal or capital stock of such public annuities as shall at any time hereafter have been redeemed or paid off by the said commissioners.

“The term of free revenue is adopted by Earl Stanhope, to express the annual surplus arising from accumulation.

“The said commissioners have power to purchase such redeemable public annuities as they shall deem it expedient to redeem. The intention of such commissioners to be notified in the London Gazette some weeks before. The account of stock redeemed to be laid before both Houses of Parliament each year.

“The free revenue is never to be allowed to increase to more than to the sum of four millions in any one year; and all overplus moneys above the said four millions, are to be disposed of as Parliament shall direct.

“5th day of July 1786, to be the commencement of the above quarterly allocation.

“5th day of April 1787, will be the end of the first year of Mr Pitt's plan.

Earl STANHOPE'S First OBJECTION to Mr PITT'S Plan.

“The commissioners may, by means of the power given them by this act of Parliament, make large fortunes, by gambling in the public funds.

Second OBJECTION.

“Mr Pitt's plan does not propose any conversion of stock, or any free subscription by individuals, of converting 3 per cents into 4 per cents.

“If Mr Pitt's plan is, first to redeem twenty-five millions of the present 4 per cents, then to redeem the seventeen or eighteen

teen millions of the present 5 per cents, (which cannot, by act of Parliament, be redeemed, until twenty-five millions, either of the 4 per cents, or of the 3 per cents, or of both, shall have been redeemed), then it may be supposed, that the remaining seven or eight millions of present 4 per cents shall be redeemed next, and then that the free revenue be applied to redeem the present 3 per cents.

“As soon as a few millions of the present 3 per cents shall have been paid off, the free revenue will have increased to four millions per annum by the falling in of annuities, and by the saving of interest upon the fifty millions of the present 4 and 5 per cents, added to the original million of annual surplus. The 3 per cents will then rise considerably. So large a sum as four millions per annum being applied solely to the redemption of the 3 per cents, the last 3 per cents to be paid off, would be redeemed at par. It is a supposition very favourable to Mr Pitt's plan, that the 3 per cents, under the circumstances above stated, could be redeemed on an average so low as 90.

“Mr Pitt's plan, according to Earl Stanhope, is so contrived, as to put the nation to an enormous expence, in redeeming the capital of the present 3 per cents. That capital is no less a sum than one hundred and eighty-six millions. He contrives to redeem it at 90 on an average, though the market-price of the said 3 per cents is actually below 70.

General Principles on which the respective PLANS of Mr PITT and Mr FOX are founded.

“There are two great plans upon this momentous question, of redeeming the public debt. The one is the plan of Mr Fox; the other the plan of Mr Pitt. Both have been supported with eloquence and ability. The plan of Mr Fox is to discharge, in time of peace, the debt contracted in time of war; and when a new war comes, to stop paying off the debt, in order that the nation



nation may have the full effect of its finance-resources, at the moment when it has the greatest occasion for every possible assistance.

“Mr Fox has declared in the House of Commons, that his ideas went far beyond those of Mr Pitt, as to the propriety of providing only one million annual surplus. He has in that been perfectly consistent. For if the national debt is to be paid off solely in time of peace, and only at the rate of one million, or rather more, each year, it is more than probable, that we shall not have paid off, before another war comes, as many millions as will be expended in two or three years of war, or perhaps in one year of war; consequently, if we contract debts fast, and discharge them slow, the nation must soon be bankrupt. Mr Fox is fully sensible of this, when he mentions, that a million *per annum*, applied solely in time of peace, is not sufficient to save the nation from utter and inevitable ruin.

“Mr Pitt, on the contrary, has adopted a very different mode of reasoning. The principle of his plan (for there is a distinction between the principle of his plan, and the plan itself) is to begin to discharge the debt in time of peace, and to continue to discharge in time of war. First, to apply only one million annual surplus for that purpose, but afterwards to apply the interest of debt which shall have been redeemed, to form a new capital; or, in other words, to pay off the debt by a million constantly applied at compound interest, to which he proposes to add the annuities for long terms of years, and for lives, as fast as they shall fall in, in order to quicken the operation of the new sinking fund, which he proposes to establish for the reduction of the national debt.

“Mr Pitt may urge, in support of his principle, that it is more economical to redeem the debt in time of war, because the stock in time of war bears a lower price.

“Mr Pitt may also urge, that the great advantage of compound interest arises from the money applied at compound interest, being applied for a sufficient time; which advantage exists

exists, if you continue uninterruptedly to pay off the debt, both in time of war and in time of peace; but that advantage ceases, if you pay off the debt only in time of peace, that is to say, if you pay off the debt only during a short or moderate period.

“For example, one million *per annum*, uninterruptedly applied at compound interest during sixty years, would discharge a debt of L. 289,497,953, supposing the interest of money to be at  $4\frac{1}{2}$  *per cent.* Whereas, if it were required to redeem the same sum of L. 289,497,953, in fifteen years, which is a quarter of the period just mentioned, it would take for that purpose no less a sum than L. 13,928,849, to be applied annually for the said fifteen years, at compound interest.

“Proof of the above statement. By Smart's Tables of Compound Interest, (p. 78.), it appears, that L. 1,000,000 annually, applied at compound interest, (the interest of money being supposed to be at  $4\frac{1}{2}$  *per cent.*) will, in sixty years, increase to the sum of L. 289,497,953. By the same table, (p. 47.), it appears, that L. 1,000,000, annually applied at compound interest, at  $4\frac{1}{2}$  *per cent.* will, in fifteen years, increase to the sum of L. 20,784,054.

“Now, L. 13,928,849 is to L. 289,497,953, in the same proportion as L. 1,000,000 is to L. 20,784,054. Therefore, in order to be able, in fifteen years, to pay off any considerable portion of the national debt, it is necessary that the free revenue (if applied solely in time of peace) should be immense; that is to say, that the addition to be made to our annual taxes should amount to many millions *per annum* more than at present, which the nation would certainly not be able to bear. Consequently, the best principle to adopt, is, to apply the annual surplus, whatever it may be, uninterruptedly and invariably, at compound interest, to the redemption of the debt for a greater length of time, whether in time of war or in time of peace. This principle has been satisfactorily proved by Dr Richard Price.

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“ Mr Pitt may, however, urge in support of his principle, that if it were generally known, that the plan for redeeming the national debt were always to be interrupted when a war comes, that circumstance might operate strongly upon the minds of ministers, in foreign cabinets, to declare war against this country, to bring bankruptcy on our funds.

“ Other strong arguments may be urged in favour of the principle of Mr Pitt's bill. But though Earl Stanhope approves of the principle of Mr Pitt's bill, he disapproves of the bill itself, as inconsistent with the principle upon which it is supposed to be founded.

“ Another objection of Earl Stanhope's to Mr Pitt's plan. Mr Pitt, by his bill now before Parliament, does not act either upon his own principle, nor upon that of Mr Fox. He neither provides a very large annual surplus, so as to discharge debt before another war, nor does he fix down the appropriation.

PRINCIPLES on which EARL STANHOPE'S Plan is founded.

#### A X I O M I.

“ When a commodity, which is intended to be purchased, is cheap, it ought to be bought before it becomes dear; and if the party intending to purchase, has not money sufficient to buy the commodity forthwith, he ought to bargain for it; the price ought to be fixed; and the time in which the money is to be paid ought to be correctly ascertained.

“ For want of attending to this plain principle, the present Minister has suffered the time to pass, when the *3 per cents* were at 60, without ever attempting to fix their price. He has laid heavy and burdensome taxes upon the people, and has held out to the public the sure prospect of one million annual surplus. He

He has first raised the value of the *3 per cents* to 70, which *3 per cents* were at 60, and then he sets about to pay off the debt. A sum equal to ten *per cent* upon the whole capital of the three *per cents* has therefore been wasted, which, upon a capital of 186 millions of *3 per cents*, is no less a sum than L. 18,600,000. It is much to be lamented, that the unpopular measure of laying on the new taxes, has not answered the purpose of hastening the period of the final redemption of debt; but, on the contrary, for the laying on the new taxes, and the holding out so strong an expectation of so large a surplus to be applied towards the discharge of the national debt, has raised the funds to their present height; and the raising of the funds, before any bargain was made with the holders of the *3 per cents* has already been the occasion of the waste of upwards of L. 18,600,000.

“ Enormous as that sum is, were that all, says Earl Stanhope, I might perhaps have remained silent.

#### EARL STANHOPE'S Plan.

“ By his plan, he endeavours to fix the price of the *3 per cents*, which are now below 70, in order to prevent the public from redeeming them at L. 100, or even L. 90, on an average. This object he is to accomplish in the following manner: He proposes, That new books should be opened at the Bank, and that all subscribers of L. 100 should be entitled to receive *4 per cent. per annum* interest: That these persons only should be permitted so to subscribe, who shall actually be holders of *3 per cent.* stock, and who shall be willing to convert the said stock, which now bears interest at *3 per cent.* into those of *4 per cent.*

“ Every person who shall thus voluntarily surrender L. 400 of the present *3 per cents*, (the interest of which L. 400, at L. 3 *per annum* for every L. 100, is L. 12 *per annum*), shall be entitled to receive L. 300 of these new *4 per cents*. The interest of

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of which L. 300, at L. 4 *per annum* for every L. 100, is likewise L. 12 *per annum*. The public, says Earl Stanhope, has promised to pay L. 3 *per annum*, as interest for every L. 100 capital of consolidated 3 *per cents*. The public has promised also, never to pay off this L. 100 capital at less than L. 100, unless the holder of that stock for the time being, shall be willing at any time to accept of less than the said L. 100. But the public has not promised to pay off the said capital upon demand.

"The public has not promised to pay off the said capital, either on any fixed day, or within any given time. The public has not bound itself to pay off the said consolidated 3 *per cents* in any given order. But the public are at perfect liberty to give the preference, in that respect, to whichever of the holders of the said 3 *per cents* the public may deem it expedient to prefer. Therefore, what the public has to give to the holders of consolidated 3 *per cents*, is the right of priority of redemption.

#### Earl STANHOPE'S AXIOM II.

"Whenever a man has a bargain to make, and has any thing to dispose of, which is no loss to him to part with, which it is not improper for him to sell, and which is of great value to the person with whom he is about to bargain, to receive, that man ought not to neglect to make that thing a consideration in the bargain, or else in some other way to obtain some valuable consideration for it.

"Mr Pitt neglects this principle, according to Earl Stanhope, by not making the most of this priority of redemption.

"According to Earl Stanhope's plan, the holders of 3 *per cent*. stock are called upon to surrender, by act of conversion, twenty-five pounds out of each hundred pounds nominal stock, but no part of their annual interest.

"According

"According to the first calculation of Earl Stanhope's plan, he proposes in fifty-one years to pay off the present national debt, reckoning from 5th April 1786, and to have an overplus of L. 8,208,928. In the same time of fifty-one years, he asserts, that Mr Pitt's plan will not discharge the national debt by L. 28,559,118. Therefore, according to his calculation, the gain upon his plan will be L. 36,768,046.

"In this first calculation of Earl Stanhope's plan, the price of the unconverted 3 *per cents* is supposed to be below 75.

"According to Earl Stanhope's second calculation, in fifty-one years he is to discharge the national debt, and to have an overplus of L. 7,157,532. In the same time Mr Pitt's plan will be deficient by L. 28,559,118.

"Advantage by Earl Stanhope's plan L. 35,716,650. In the second calculation, the 3 *per cents* is supposed to be above 75, and below 80.

"Third calculation. National debt discharged, with an overplus of L. 5,391,664, which added to Mr Pitt's deficiency, L. 28,559,118, makes L. 33,950,782.

"In the third calculation, the unconverted 3 *per cents* are supposed to be at 86, or at any price whatsoever between 80 and 100.

"There is no act of any Parliament, which may not be repealed by a succeeding Parliament, or which may not be repealed by the same Parliament, in a subsequent session: But there are, nevertheless, acts of Parliament that are sacred. Those acts of Parliament which confirm a bargain between the public and individuals, may be said to be amongst that number.

"The dividend of the public creditors has never been attacked by Parliament, notwithstanding the necessities of the state. Why so? Because it is a bargain and contract. The creditor lent his money, upon the express stipulated condition of receiving each year a given sum as interest. The public have ever kept their faith with those who have lent money to the state:

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the publicity of our public accounts, and the constant unremitting good faith kept by the public with the public creditors, are the principal pillars of the credit of this country, and those without which it cannot stand one moment.

“ Earl Stanhope observes, that the best way of paying off the greatest number of millions in the space of twenty-nine years, would be to convert L. 25,000,000 of present 3 per cents into L. 18,750,000 of new 4 per cents, then to redeem the said new 4 per cents, (which would be done in less than fourteen years), next to redeem the L. 17,869,993 of 5 per cents, and then to redeem 4 per cents again, to the end of the period of twenty-nine years.”

Fundamental Objections to Earl STANHOPE'S Plan.

1<sup>st</sup>, That, according to the original compact between the public and stockholders, any sinking fund is to have a full and impartial action upon stock in general, not to make the present advantage of one stockholder turn out to the future disadvantage of another. If, according to Earl Stanhope, the time of redemption of such stock is not defined in such compact, the whole of his plan of conversion is a flat contradiction to such idea, because it operates as a definition. Such definition lays the ax to the root of public faith and credit, because it deprives the stockholder of any advantage he may gain from the market-fluctuation of the nominal part of his stock. When a person lends his money to government, he expects that either individuals, or the public, (by redemption,) may buy such stock from him. This double expectation has a considerable effect upon the nominal part of his stock; whereas Earl Stanhope's plan of conversion limits him to one purchaser for such a defined number of years.

2<sup>dly</sup>, Earl Stanhope's plan is fundamentally wrong in this particular, that it is calculated for a total redemption of debt; whereas

whereas such is perfectly unnecessary, and would be very impolitic. It is certainly much better that the public should be kept in the habit of bearing taxes that are tolerable and easy in time of peace, that such may be a preventive against their being intolerable in time of war.

In purchasing up stock as an individual would do, government makes such purchase at the market-price; but in so doing, it does not pursue any measures to regulate such market-price, as are inconsistent with the original contract with the public.

Earl Stanhope's plan is diametrically opposite to this. Therefore all his objections to Mr Pitt's plan are owing to a misconception of the true nature and spirit of public faith. Earl Stanhope's plan has another material defect, that it is vastly too complicated, and therefore is liable to manifold opposition from the numerous interests concerned in the various propositions he makes: Whereas, in the preceding tract, stating the constitutional principles in points of Finance and Personal Service, that ought to be adopted in future for the British navy and army, are included many systematic advantages that are recommendatory of the measures therein proposed.

The principal objection to Mr Pitt's plan is, That it is not efficient enough, or preparatory for the event of a future war.

Earl Stanhope observes, that it will take sixty-eight years, according to Mr Pitt's plan, to redeem the national debt.

Mr Fox's plan, as far as it is given by Earl Stanhope, seems to have been intended as an efficient one for future war. But nothing farther of it can be here said, as the means and measures proposed in it are not specified.

All plans for the total redemption of debt, are proved, in this tract, to be fundamentally erroneous; therefore there is no necessity to enter any more into the detail of Earl Stanhope's plan, since his comes under this description.

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To conclude : There is certainly a great difference between government's alienating any part of the interest belonging to the public creditors, and the appropriating such to the discharge of the debts due to them. The one measure has the twofold tendency, to sink both capital and dividend ; whereas the other has an evident tendency to raise the value of the capital, according to the progressive *ratio* of the redemption\*.

\* A certain proportion of debt seems, therefore, to be highly useful to a trading people ; but what that proportion is, it is not for me to determine. Thus much is indisputably certain, that the present magnitude of our national incumbrances very far exceeds all calculations of commercial benefit, and is productive of the greatest inconveniencies. For, first, the enormous taxes that are raised upon the necessaries of life, for the payment of the interest of this debt, are a hurt both to trade and manufactures, by raising the price as well of the artificer's subsistence, as of the raw material ; and, of course, in a much greater proportion, the price of the commodity itself. Nay, the very increase of paper-circulation itself, when extended beyond what is requisite for commerce or foreign exchange, has a natural tendency to increase the price of provisions, as well as of all other merchandize. For, as its effect is to multiply the cash of the kingdom, and this to such an extent, that much must remain unemployed, that cash (which is the universal measure of the respective values of all other commodities) must necessarily sink in its own value, and every thing grow comparatively dearer. Secondly, If part of this debt be owing to foreigners, either they draw out of the kingdom annually, a considerable quantity of specie for the interest ; or else it is made an argument to grant them unreasonable privileges, in order to induce them to reside here. Thirdly, If the whole be owing to subjects only, it is then charging the active and industrious subject, who pays his share of the taxes, to maintain the indolent and idle creditor who receives them. Lastly, and principally, It weakens the internal strength of a state, by anticipating those resources which should be reserved to defend it, in case of necessity. The interest we now pay for our debts would be nearly sufficient to maintain any war that any national motives could require. And if our ancestors in King William's time had annually paid, so long as their exigencies lasted, even a less sum than we now annually raise upon their accounts, they would, in the time of war, have borne no greater burdens than they have bequeathed to and settled upon their posterity in time of peace ; and might have been eased the instant the exigence was over. *Blackstone's Commentaries, b. 1. ch. 8. § 9.*

P A R T

P A R T II.

T H O U G H T S

C O N C E R N I N G

The Constitutional Principles in points of FINANCE and PERSONAL SERVICE, that ought to be adopted in future for the Support of the British Navy and Army.

HAVING in Part first discussed the subject of FINANCE, that of PERSONAL SERVICE now comes under consideration.

It was a maxim observed by the Romans in their conquests, that they adopted every improvement in the art of war, wherein they thought themselves excelled by their enemies. This circumstance raised that nation to a greater pitch of greatness than any other in ancient history. Far from adhering obstinately, like other nations, to the system of war they were taught by their forefathers, they prudently varied it according to the nature of the resistance they met ; and, in their progressive conquests of the then known world, by observing the above maxim, they gathered strength from every nation they subdued.

When we see that Rome, even the former mistress of the world, never blushed to own herself capable of being taught, ought not so illustrious an example to teach Great Britain, that she may confess herself still under the corrective rod of experience ? As the French have of late adopted many improvements from the British navy ; it becomes us, therefore, to examine what we can glean from them.

The most important that presents itself to our consideration, is one introduced into France by Lewis XIV. who obliged each parish in his kingdom to afford a number of recruits

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for the army, according to its number, fit to carry arms. Thus, in France, the military exigency of the state is immediately supplied, and the demand of recruits for the army is never felt as a grievance, since it is equally divided among so many parishes. In Great Britain, were they to adopt this plan both for the navy and army, as is pointed out in the sequel of this tract, it would greatly strengthen the executive hands of government, and enable it to anticipate many evils that may happen to this country, upon the commencement of a war. As the constitution of this country is such, that it empowers naval officers to man their ships immediately by impressing men, it is certainly a ridiculous circumstance, that the army is not put upon as advantageous a footing, as far as the nature of such service will admit.

It is only from the co-operation of their powers, that either our own security at home can be preserved, our enemies foreign settlements attacked to advantage, or our own defended when invaded.

It has been often agitated, as a point of speculation, whether or not the British army and navy would be better manned and supplied with recruits, by obliging each parish to turn out a proportional quota of men, than by the present method of impress, or beating up.

In reality it admits of no doubt, but that there are capital defects at present in the plans of recruiting both services in time of war; neither of them are sufficiently executive, and, by procrastination, lead the public into an enormous expenditure of money. The difficulty of contriving an effectual plan for recruiting such services, consists in the following circumstance, that it should be so calculated as to fix the men as volunteers in each service, and not drive them, as brutes, upon compulsion. A certain degree of compulsion is absolutely necessary to secure a certain return of men to the Board of Admiralty, and secretary at war; but it should be of such a nature as to fall more upon public bodies of men, than upon individuals; or, in

in other words, that the recruits obtained should appear as much as possible the representatives of such public bodies.

To consider this subject in the manner it ought to be, the measures herein recommended for recruiting the navy and army, will be stated and contrasted with the method now in use, in which the latter will be proved not efficient in time of war, and productive of an enormous expenditure of money.

In every country there are but two ways in which the individuals of it can pay the tribute of naval and military service due to the government they are under, *viz.* either by their own personal service, or by paying an able substitute. Whatever arguments, therefore, are applicable to individuals in regard to this point, are still stronger when applied to collective bodies of men. The following measures can never be objected to by the inhabitants of any county or parish, as fundamentally inconsistent with ideas of British liberty; when government offers the alternative to them, the choice or preference is an act of their own will.

In this tract, therefore, it is assumed as a constitutional principle, that the various districts in the British empire are bound to afford recruits for both navy and army, when called upon by government. The propriety of which postulatam may be further proved, by shewing, that, as in France, and other countries, with whom we have been accidentally at war, they do so, so we ought to fight them upon the same principle.

It is curious to observe the contrariety of principles upon which the British navy and army are now recruited. *1<sup>st</sup>*, The navy is supplied with seamen more upon compulsion than inclination. *2<sup>dly</sup>*, The marines are all supposed to be volunteers. *3<sup>dly</sup>*, The regulars are required to be volunteers. *4<sup>thly</sup>*, The militia are balloted and raised upon compulsion.

Until the recruiting of all these services is founded upon one uniform principle, the interest of one service will always clash with that of the other services. It is evident from the above

above state, that the regular army which is raised both for home and foreign duty, whether offensive or defensive, is by no means so well constituted as the militia, which is raised entirely for home defence. The result of which is, that the latter, in time of war, picks up all the best men in the kingdom for recruits, as was experienced during the American war. The following plans point out how far personal compulsion and inclination ought to be blended, to produce real exertion and œconomy in time of war.

PLAN for recruiting and manning the British NAVY.

The present method of impress for the sea-service of this country, may admit of great improvements in point of enforcement and regularity through all the British empire. If the Board of Admiralty wish to man the navy expeditely, they should specify in the Gazette the number of seamen and landsmen wanted for government-service. 2dly, They should likewise lay a strict embargo upon all the ports of Great Britain, until the demand of government for seamen are satisfied. The same idea should be extended *mutatis mutandis* to Ireland, and all other parts of naval-importance in the British dominions.

This method will oblige the merchants, and masters of ships, in every port of Great Britain, and her other possessions, to assist government as much as possible in procuring men, both by bounties, and their own personal influence; because the embargo upon their trade will not be taken off, until the number of men specified in the Gazette is procured. According to the present method of impress, the ports are open, the masters of ships are at liberty to go to sea, if their crews can elude the vigilance of the press-gangs. But if they were shut during the impress for government-service, the seamen would be under the necessity, from the want of bread, to enter on board the men of war. When the number of seamen specified in

in the Gazette is obtained, all impress should cease, and the public promise of government should be kept sacred: That no impress shall take place again, until proper notice is given of it in the public Gazette. It is evident this method of manning the navy would cause much less stagnation in trade than the one now in use. According to the present method of impressing seamen, the merchants have no interest in assisting government, since the impress never ceases during the continuance of war. Whereas, by the method here proposed, of specifying in the Gazette the number of seamen wanted, for manning the navy, every considerable sea-port in Great Britain and Ireland, sensible of the consequences of an embargo upon their shipping, would soon know the exact quota of men they ought to contribute, when the demand is made from government.

The Society of Watermen in the port of London, is a case in point, who, upon the eve of every war, send out five hundred, or a thousand men, for the use of the navy, as representatives of their body.

The new navigation-act, lately passed by Parliament for the registering of ships, affords sufficient data to the Board of Admiralty to fix the proportion of seamen that each port should procure for the navy, *viz.* according to the quantity of their respective tonnage. When, upon a declaration of war, therefore, any port delivers over to the tenders upon the impress-service, their proportion of seamen, the embargo upon such port should be taken off, and her ships should go free from impress, until the next call for men is made in the Gazette. It is evident, that this plan of procuring seamen will raise an emulation between the ports. For instance, if a certain demand is made by the Board of Admiralty from the ports of Shields and Sunderland, for their respective proportion of seamen, the first that procures her number will have the embargo taken off her ships.

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To compose the ship's company of a man of war, it is by no means requisite that all the crew should be seamen; one-third is only required to be seamen, the other two-thirds may be composed of marines properly disciplined.

It is a great defect in the present method of manning the navy, that they are obliged to take all men that offer, or men sent from jails.

Nothing contributes more to make our proper bred seamen dislike the naval service, because, in a manner, it seems to class them with felons.

Besides, it is well known, that proper attention cannot be paid, in this manner, to the health of the crews of such ships, when these landmen, or felons from jails, may communicate infectious disorders to all the ship's company.

In the preceding observations, it is shown, that when Parliament votes 60,000, 80,000, or 100,000 seamen for the service of the year, there is no occasion for above one-third of these to be real seamen, the remainder of such numbers ought to be draughted from the marine regulars.

In the present equipment of fleets, upon a declaration of war, the first squadron fitted out has more than her proper proportion of seamen, considering that other ships are to be manned when they are gone to sea.

The regulations here recommended will cure this complaint, because, by having a sufficient number of marine regulars at Portsmouth, Plymouth and Chatham, two-thirds of the crews of such ships may be composed of such.

This enables the commanding officers at each port, to reserve the proper proportion of seamen for future ships. At present, as fast as seamen, upon the eve of a war, are brought in by the tenders upon the impress-service, all hands are turned on board of the squadron fitting out for sea. According to this method, the first squadron gone to sea have more than their due proportion of seamen; the necessary consequence of

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which is, that the remaining ships, when fitted out, must have more than their due proportion of landmen.

According to the method of manning the navy here specified, the number of seamen wanted for the whole navy is proved not to be one-third of what it is supposed to be. Thus, supposing 120,000 men necessary to man the navy, 40,000 seamen would be only required in the proportion of one-third to such number. It might therefore be an easy matter for the different ports in Great Britain, to procure, at different instalments, as should be specified in the Gazette, one-third of the seamen voted by Parliament.

The present method of sea-impress, as it continues during the whole war, so it destroys the merchant-service, as a nursery for seamen; whereas, according to the method here proposed, of requiring from the different sea-ports one-third of the men requisite to man the whole navy, at various instalments, the merchant-service will remain as a nursery, because their ships will be protected from impress, until the next notice is given in the Gazette. It is a notorious fact, that at present, during war, the crews of our merchantmen are composed of old infirm men, and foreigners, which is a shame and reproach to our maritime laws.

By defining the principles of protection from sea-impress, the exertions of the different sea-ports, in aid of government, will move as regularly as clock-work; and the merchant-service will be always manned by such hands as may, in some future period, serve their country on board of a man of war. If the maritime coasts of the kingdom afford one-third of the men requisite for manning the navy, it is but just, that the internal parts of the country should contribute the other two-thirds, according to the plan hereafter mentioned, for recruiting the marine regulars.

The plan laid down in this and the remaining part of this tract, will give government the most thorough knowledge, how

how to proportion the building of men of war, according to its capability of manning them.

This is a most useful science in point of œconomy and information, concerning the degree of exertion that the naval power of Great Britain may be pushed to.

To conclude: It is a circumstance that merits particular observation, that seamen deserve every encouragement that can possibly be given to them in this country. They should therefore have a legal demand, besides their allowance from the establishment of Greenwich, upon their respective parishes, for a certain annual pension, increasing in the ratio of time passed in the King's service, or the wounds they have received.

So useful and honourable subjects should meet with every encouragement and support that the constitution and resources of the British empire can possibly afford.

#### PLAN for recruiting the British ARMY.

Having in the preceding plan shown the propriety of government's adopting one uniform principle for recruiting at least two-thirds of the navy, and the whole British army, it may be proper now to state, 1<sup>st</sup>, The public inconveniences of the present method of recruiting the army. 2<sup>dly</sup>, To contrast to it the method here proposed, and to shew how the measures proposed in both the plans suggested in this tract, will operate as a complete system of national police.

The first circumstance that presents itself to our consideration, in stating the public disadvantages of the present method of recruiting the British army, is the uncertainty of the returns of men from the officers upon that service, to the secretary at war. Thus, according to the present method, the exigencies of the state can never be provided for in that regular manner they ought to be. It will always be the case, and may it ever remain so, that the inhabitants of the British empire will

will reason freely concerning the propriety or impropriety of the measures pursued by their governors. If they approve of them, (in the language of address), they will support them with their lives and fortunes. If they disapprove, government, according to the present system, will find great difficulty in recruiting the army. This observation was well verified in the beginning of the American war, when government found so much difficulty in recruiting the old establishment of the army, that they were obliged to hire troops from Germany; and Lord Barrington, then secretary at war, from the absolute necessity of the service, was compelled to add twelve new regiments to the old establishment. Commissions were granted to the officers, on condition of their raising a certain quota of men; and the high bounties given, were the only inducement that could have brought so many men to list at that time. From the particulars mentioned above, it may be justly inferred, that the public service will be carried on more expeditely and uniformly, by obliging each parish to turn out a certain number of men, according to the exigency of the state. It may be mentioned too, as a private inconvenience of the present method of inlisting men, that no attention is paid to this circumstance, whether or not a man has a large family, or whether he is a manufacturer, the loss of whom is a detriment to trade.

All these circumstances prove, that it is bad policy in any commercial state, to allow an indiscriminate kidnapping of men for its military service, when certainly better may be procured by ballot, or from the deliberate choice of the gentlemen of each parish. There is one circumstance which recommends strongly the plan proposed in this tract, that the demands for men will fall so lightly upon the different parishes, as not to be felt as a grievance. Whereas, in the mode of raising men, during last war, in Scotland, for the new levies, more particularly in the Highlands, some districts were almost depopulated, and many of the best manufacturers of the west of

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Scotland swept away to America, where one day or other they will establish those very manufactures they used to export to that country. When the common people of England can earn one shilling, one shilling and sixpence, or two shillings, by labour, it is unreasonable to suppose, they will prefer sixpence, which is the pay of a common soldier. The high price of labour also paid of late by the farmers, and master-manufacturers, to their workmen, is another reason why the recruiting service has not succeeded as well in England as it used to do. Though many manifested, during last war, a laudable and public spirit, in regard to home-defence, yet they were not at all inclined to hazard their lives abroad. This aversion to serving in the army abroad, is growing stronger and stronger every day among the common people, from their preferring the militia-service to that of the regulars.

Government, in any future war, must therefore adopt some plan similar to the one proposed in this tract, to recruit the British navy and army effectually. When our natural enemies upon the continent of Europe have such immense standing armies, and are at the same time equal, if not superior to us by sea, in number of ships and men, it is surely the height of folly and madness, not to put our navy and army upon an equal respectable footing, by adopting such measures as will bring both services to their meridian of exertion, upon the commencement of a war. Without it is done soon, this country will be stripped of her sugar islands in any future dispute. So far from government being able to send a sufficient number of men to garrison our sugar islands, they had not even men enough to answer the demands formerly of the American war. Thus the hands of government must always be tied up, in regard to military enterprise, as long as the present mode of recruiting the navy and army continues in force. Until it is altered, we can strike no blow to advantage, upon the commencement of a war, nor can we parry one effectually, when aimed at us. The experience we have gained in the late American contest, ought to teach us to adopt such plans

plans as will bring the whole strength of the empire to bear effectually to a point. Procrastination in military operations, must be the ruin of the resources of this or any other country, when she has to maintain nominal fleets and armies, neither fully recruited nor disciplined. France and Spain are too sensible of the defect of the British service, in regard to the idea of raising men expeditely as volunteers. They must know, therefore, it must require some considerable time before our army is so recruited and disciplined, as to oppose their veteran troops in the field. Besides, the more the above powers increase in maritime strength, it becomes every day more necessary, that the British empire should attend to the most effectual and patriotic means of keeping up a respectable force, ready to act upon emergency, either at home or abroad, so that the public money may not be expended in non-effective fleets and armies.

In the prefatory observations to these plans, it is shown, that Lewis XIV. introduced into France the method of recruiting his regular forces by draughts from the militia; and it is mentioned in Dr Moore's travels through France, Switzerland, and Germany, that the same method is observed in Prussia; or, in other words, that the whole chief standing army of that kingdom is militia, since, during peace, for many months of the year, they go home to their friends, to work at the occupations they have originally been bred up to. The same plan ought to be adopted in the British empire, to have a militia so constituted, that it can afford recruits, when required by government, for the marine regulars that are to compose two-thirds of the complement of the British navy, and also what recruits are required for the land forces.

All distinctions between regulars and marines should be entirely abolished, when they are both recruited from the same quarter. It may be queried, Whether all purchase or sale of commissions of the rank of captains or subalterns ought not to be abolished, and whether subaltern officers, when required

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red in the regulars, ought not to be chosen from the different battalions of militia, the recommendation of such officers to be made by the majority of officers in each battalion of militia?

Officers in the regulars, according to this plan, would rise by seniority until the rank of captain. In the rank of major and lieutenant-colonel, the sale of commissions should be allowed as a reward for former services.

All regiments ought to be named from some particular county or district, from the battalion of which militia, in time of peace, they are recruited. In time of war, they must be recruited from the general rendezvous of recruits, since the accidents of war might make such demands for men fall too heavy upon particular regiments of militia.

The Board of Admiralty should notify to the secretary at war, the number of marine regulars required for service.

The secretary at war should be required annually, or half yearly, to specify to the Lord-lieutenant, and Sheriff of each county, what is the proportion of men their respective battalions of militia are to afford for the service of the regular army.

In reflecting on the means for diminishing the expenditure, and improving the police of Great Britain, it is impossible to overlook the methods that have hitherto been adopted for recruiting the navy and army, as these seem to be liable to many objections that admit of being easily removed, so as to recruit both services effectually, save public expenditure, and regulate the police so completely over the kingdom, that the officers of each parish shall have a thorough knowledge of the character and livelihood of each person in their respective districts.

The practice of impressing seamen into the service of their country, though it has hitherto been permitted, on account of the supposed necessity of doing it, has always been complained of as an infringement of that liberty which every sub-  
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ject in this country, who has not, in the general opinion of his countrymen, been guilty of any trespass on the rights of society, ought ever to enjoy, and therefore, has been tolerated by the nation with great reluctance. But with regard to the army, no such toleration has ever been allowed.

To raise recruits for the army, therefore, great sums of money are required to induce men to enter into the service during the course of every war; and the expence attending the impressing of seamen is still more considerable.

Any plan, therefore, which promises effectually to recruit the militia, so as to afford the necessary draughts of men for the navy and army, on every pressing emergency, in a much shorter time than formerly, and at no expence, while it effectually secures the privileges of every British subject, and tends to guard against civil trespasses in the state, ought to be listened to with attention. Such is the plan here proposed.

During the course of last war, authority was given to justices of peace, and magistrates, within their respective districts, to take up for his Majesty's service, vagrants and other disorderly persons, who might fall under their cognisance. But experience has shown, that this mode of obtaining men is liable to great abuse, so that in some cases it has become an engine of oppression; in consequence whereof, it has acted very feebly as a regulation of police, and has proved altogether inadequate to the purposes of recruiting either the navy or the army.

To remedy all these defects, it is proposed, that the churchwardens of each parish should deliver in at the quarter-sessions, upon oath, the number of men fit to carry arms in such parish, after affixing a list of their names at the church-door for two or three successive Sundays. Thus the quota of recruits for the militia might be fixed then by the deputy-lieutenants of each county, and the allotment for each parish or district.

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The districts or parishes must then, by premiums, procure volunteers, if practicable, among their own number, fit to carry arms; if not, they may either ballot, according to the method now used for the militia, or proceed in the following method, which will vest in the community at large the power of selecting proper persons, instead of such power being vested in any particular order or description of men. Let a meeting of the householders in each parish, (or of two or three parishes together, where the numbers are small, and few men are to be raised), be called together on a certain specified day. Let each of these householders be required to bring with him a piece of paper, in which should be written the names and surnames of one, two, or more persons, according to the number of men then wanted for the militia, whom he thinks could be best spared from the district of which they are members. All which pieces of paper should be so rolled up and folded, as that no person could see the names until opened up. Each householder to answer to his name when called, according to the order on the roll, and deliver his paper to an officer appointed to receive the same. The names of the persons thus given in, should be then, in presence of the meeting, written out by the clerk, a mark being made opposite to each name, for every time it was repeated by a different person. When the whole is summed up, those persons against whom there appears the greatest number of votes, shall be the persons fixed upon for the militia. By this procedure, every man would be tried by an impartial jury of his peers in his vicinage; and as the whole community is called, without exception, to such meeting, there would be no reason to complain of injustice, because the partialities of ill-intentioned individuals could have no effect, as the lot could only fall upon those who are regarded as the fittest objects to serve their King and country.

This mode of recruiting would be evidently highly economical, and at all times effectual for recruiting the militia in the

the shortest time possible, and, considered as a regulation of police, would be attended with the following beneficial consequences:

*1<sup>st</sup>*, It would operate as a perpetual restraint upon young men, against committing disorders in society, that might tend to render them obnoxious to the neighbourhood, as they would know well, that, according to this mode of trial, no particular crime is required to be specified, nor any witnesses adduced, every individual being at perfect liberty to judge according to his own feelings and opinion; so that persons whose general behaviour had given rise to suspicion of dishonesty, or who, by riotous living or improper behaviour, had given cause of offence to the peaceable part of society, would be necessarily fixed upon by this species of selection, and turned over to a mode of life where these disorders would be repressed and corrected. It is not to be doubted, but that the fear of being sent off in this parochial manner, would operate very powerfully as a check to many youthful irregularities, which, if they had been indulged, might have ended in great enormities.

*2<sup>dly</sup>*, This species of selection would tend perhaps in a more powerful manner than any device that has hitherto been adopted, to diminish the poor's rates. It is well known, that trusting to the poor's rates, many persons who are well able to work, lead a life of great dissipation for many years, and though guilty of no crime that the law can lay hold of, very soon become a burden on the community of which they are members; and as it is to be supposed, that respectable householders, who must in the end be burdened by these persons, would keep a sharp look-out for such as had engaged in that career, so they would be the first selected for the militia, by whose removal the community would be freed from their bad examples, which might corrupt others.

To prevent all complaints of any abuses in the manner of exercising the above power, by the householders of any parish

or parishes, a discretionary power ought to be vested in a jury of the chief gentlemen of property in the neighbourhood, to approve or disapprove of such men as are fixed upon by the above meeting for the militia. After their approbation, if the above men fly the country, they ought to be dealt with as deserters from the army.

The two most operative circumstances, to induce seamen or landmen to enter into our naval or military service, are certain ideas of present encouragement, and future support in old age. In regard to the former, it is certain, that in no European service, either by sea or land, are men better clothed and fed than in the British service. The deficiency or fault consists in our not having proper and adequate ideas of future support for seamen and soldiers, increasing in the *ratio* of the length of time spent by them in the service of their country. To do this, the various funds of Greenwich and Chelsea Hospitals should be thrown into one general fund, from which annual pensions should be paid to seamen and soldiers, increasing according to the number of years they have served, or the wounds they have received. This pension should only be in part, the residue to be made up by parish-pensions, under the control of the deputy-lieutenants of each county. This method of providing for old and maimed sailors and soldiers, will save much money now laid out in the maintenance of Greenwich and Chelsea Hospitals, as great part of the money granted by Parliament for the support of the old men, is consumed by the officers of the hospitals, and in repairing the buildings. An old soldier or sailor will live with much more comfort, when he has his residence in his own parish, among his relations and former neighbours, and will receive from his double pension a more ample maintenance than he does at present, according to the establishment of either of the above hospitals.

When soldiers, who have been discharged at the end of a war from the marine regulars, enter again into the militia, all  
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future services in the militia ought to be deemed part of the time required to entitle them to a government and parochial pension.

STATE of the CONSEQUENCES of the constitutional Principles of FINANCE and PERSONAL SERVICE, recommended in this Tract, to be adopted in future, for the support of the British Navy and Army.

*1<sup>st</sup>*, They prepare fully for the exigencies of war, so as to remove all fear of national bankruptcy.

*2<sup>dly</sup>*, They operate, in case this country is not at war, as a more effectual plan of reduction of debt, than either Mr Pitt's plan, or Earl Stanhope's, by the excess of one million annually accumulating.

*3<sup>dly</sup>*, By limiting public debt to L. 140,000,000, they prevent the above-mentioned abstraction of capital from commerce, and that immense load of taxes, under which the British manufactures now suffer.

*4<sup>thly</sup>*, They point out the advantages and disadvantages of funding, proving where the line ought to be drawn for the benefit of commerce and national defence. They demonstrate, that Earl Stanhope's idea of total redemption of debt would be very impolitic. By blending the foresight of accumulation with the plan of raising the supplies in the year, government can appropriate the most judicious taxes in peace, so as in a great measure to save the former premium or douceur given in time of war. The saving, with accumulating interest thereon, will appear immense, when stated progressively, from the first date of funding in Great Britain.

*5<sup>thly</sup>*, As the rejection of the late Irish propositions was certainly owing to the complication of them, arising from the

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difficulty of settling the debtor and creditor account between the two kingdoms; so the plan here laid down, points out the proper principles of a naval and military union with Ireland; and, *2dly*, the time that such union should take place, when public debt is reduced to 140 millions. The ideas here suggested, of a naval and military union, are plain and simple; and therefore must meet with general approbation, from their being universally understood.

The Parliament of Ireland may superintend the accumulation and expenditure of their own naval and military assessments, the money of which may be vested in the British funds.

According to the system of union here pointed out between Great Britain and Ireland, it is evident that Ireland can enter upon half that union immediately, as far as personal services for navy and army make part of such union. In regard to finance, Ireland may at present vest any surplus of her taxes in the British funds, so as to accumulate for future naval and military services. The plan here proposed requires not the capital of her accumulation to be applied to the discharge of British debt immediately, but only the annual revenue of such, when added to British accumulation, it amounts to an annual free revenue of four millions.

Then, according to the plan suggested in this tract, under the head of Finance, they may begin to discharge taxes, until public debt is reduced to 140 millions, when a complete commercial union between the two kingdoms might take place. For illustration, according to Earl Stanhope's tables of calculation, L. 1,000,000 annual surplus, aided by the government-annuities that fall in, in thirty-eight years, at 4 per cent. accumulates to a capital of L. 103,059,475, producing an annual revenue of L. 4,122,379. The question then to be solved, according to the plan laid down in this tract, is as follows:

In what time will two millions annual surplus, aided by the annuities that fall in, and added to the accumulation of the appropriated

propriated funds of Ireland, accumulate, at 4 per cent. to the above sum of L. 103,059,475, producing an annual revenue of L. 4,122,379? In 1808, L. 571,822 : 10 : 6 of annuities will fall in to government.

This, added to the two appropriated millions, as suggested under the head of Finance, and the above L. 4,122,379, amounts to a free annual revenue of L. 6,694,201 : 10 : 6. When this free annual revenue is appropriated to discharge taxes, it will soon reduce the national debt to L. 140 millions, including the above L. 103,059,475, as a component part of such sum. Then a free commercial union between the two kingdoms might take place; and whatever was the accumulation of Ireland, when such union takes place, it enables Ireland to ease off taxes to the amount of the annual free revenue of such accumulation, at the time that Ireland, by a free commercial union, becomes a rival candidate with England in point of manufactures.

*6thly*, As it has long been a common and weak prejudice, to contrast the interests of the navy against the interests of the army, so the folly of doing it is exposed in this tract, by proving, that the constitution of neither is fixed upon such principles, as are calculated to call forth the utmost exertions this country is capable of in time of war. The investigation of the constitutional principles that ought to be adopted in recruiting both navy and army, merits attention highly as a point of public finance, since one real vigorous campaign commonly saves future ones, and an immense expenditure of money. Each of these heads taken separately, is of great importance; but how much more when they are viewed in a systematic arrangement? Objections that may be started against some of the measures here recommended, when viewed singly, lose their edge and importance, when the whole is brought together, and weighed in one balance.

*7thly*, In calling forth the different districts throughout Great Britain and Ireland, to afford, for the use of the army and

and navy, a quota of men proportionable to their number, fit to carry arms, it will be established, as a point of public honour and emulation, which district shall supply both services with the best and ablest men. By vesting the recommendation of subaltern officers for the regular army in the officers of militia, it interests all the gentlemen of landed property in Great Britain and Ireland, to exert themselves in forwarding the good of both services.

To conclude : Let the number of men employed in the British navy and army during the Duke of Marlborough's war, be stated, with the number of men employed in the war between 1740 and 1750, and the two wars since.

The mean of such numbers will nearly ascertain the number that may be employed in any future war. Let the numbers of killed and wounded be also contrasted with the numbers that die of common disease ; such will exhibit a curious contrast to naval and military speculators.

Note of Reference to Page 38. Paragraph first.

Under the head of MARINE REGULARS, are included, what are named in the navy common ordinary seamen, and who may enter as volunteers into the different corps of marines, with the various regulating officers at the different ports, upon a declaration of war. According to the plan laid down in this tract, the absolute necessity of sea-impress is only supposed to extend to one third of the number requisite to man the navy ; but all such are supposed to be proper bred and able seamen.

To the Reader of this tract a perusal of Mr David Hume's Essay on Public Credit is recommended.

VOUCHERS

V A R I O U S P A P E R S

C O N C E R N I N G

A NEW CONSTRUCTION of East Indiamen.

P A P E R F I R S T,

Published in 1781, in SIX LETTERS, addressed to Sir T. C. B. M. P. for the County of S.

“ C O N S I D E R I N G the commercial consequences that may  
“ happen to the British empire, from the powerful states  
“ now leagued against it, it becomes daily a point of greater im-  
“ portance, to communicate to the public every idea that tends  
“ to increase and strengthen our naval force. The following  
“ proposal, Sir, in my opinion, is so apparently calculated to do  
“ this, that I shall beg leave to submit it to the consideration of  
“ the three interests concerned in it, viz. Government, the East  
“ India Company, and the Ships-husbands belonging to that  
“ Company.”

“ As Government are now going to renew the charter of the East India Company, would it not be a point of great national importance, to increase the scantlings of their shipping, so as to serve as fifty-four gun ships upon any emergency in the navy ? Whatever additional expence takes place in the construction and  
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equipping of such ships, this to be made up jointly by Government and the East India Company, at the rate of so much *per* ton.

“ It is a naval and military maxim, That we should fight our enemies with the same, or a superior degree of strength, than they oppose to us. As the Dutch, therefore, are the most formidable rivals in India, to the British East India Company, it becomes the interest of the latter to regulate the future construction of their shipping, by a mean taken from the Dutch sixty gun ships, and their ships employed in the East India trade; that, on the one hand, our East India ships may be enabled to act upon the defensive, with respect to their men of war, and upon the offensive, in regard to their East Indiamen.”

Q U E R Y

Addressed to the Board of Admiralty, and the Proprietors and Ship-husbands of the East India Company, upon the commencement of the last Dutch war.

As, upon an actual survey made by one of the assistant-builders of the dock-yard at Blackwall, the ships employed at present in the East India trade, are deemed equal to carry fifty or sixty guns, in point of scantlings and strength of timbers; is it not therefore a point of national importance, that such ships should have the proper ports in their sides immediately struck out, so as to act as ships of the above force, either in the service of the East India Company or Government, in case of a junction of the fleets of France, Holland and Spain, in the British Channel?

1<sup>st</sup>, The immediate adoption of this idea, will add above twenty sail of capital ships to the naval list of Great Britain, to serve as a fleet of observation at home in the British Channel, without any inconvenience or detriment to the general interest of the Proprietors or Ships-husbands of the East India Company. Such ships

ships will always be nigh at home, so that they may be immediately taken up for their outward bound voyages.

2<sup>d</sup>, The adoption of this idea, will add considerably to the security of the East India Company's settlements abroad, when their ships can act as a fleet of observation, in case of any attack from their enemies in that part of the globe.

P A P E R S E C O N D .

Q U E R Y

Addressed to both Houses of Parliament, and the Proprietors and Ships-husbands of the East India Company, concerning a new construction of East Indiamen, to act as 54 gun ships upon any public emergency, either at home or in the East Indies, published in the course of last war.

Q U E R Y

Addressed to both Houses of Parliament, and the Proprietors and Ships-husbands of the East India Company.

Would it not be a great accession of strength to the naval power of Great Britain, that their East Indiamen should be so constructed as to carry 54 guns? All objections to this proposal will be removed, when the following circumstances are well weighed and considered by Government and the East India Company:

1<sup>st</sup>, That such ships should be built with their lower tier ports built in them, and to continue so, until they have completed the number of voyages to India, as Government and the Directors of the East India Company may determine from year to year. This is absolutely necessary, because if the lower tier ports of such ships were struck out upon the first building, as in men of war, it would be difficult so to calk them for sea, but what, by the working of the ship, they would damage the cargoes

cargoes of our East Indiamen, that are built upon the construction proposed here.

2dly, That when these ships, built as 54 gun ships, have finished their appointed number of voyages, then Government shall have a right to take them up as transports in their service; striking out their lower tier ports at the same time.

The transports that carry our soldiers now upon any expedition, seldom carry above 20 guns, which makes them an easy prey to the larger privateers of our enemies, when they separate from convoy by fairs of weather.

Whereas, according to the above plan, of taking up the East Indiamen as transports, that carry 54 guns, every soldier would then be an effective man, by sea as well as by land; since he could fight the guns of such a ship, as well as any sailor. Any number of such transports, upon an expedition, would be little inferior to as many line of battle ships.

3dly, It may be likewise in the power of the East India Company, after such ships have finished their respective number of voyages, to take them up as armed vessels in their own service. There is always soldiers enough going to India with the outward bound ships, to man such, if a proper proportion of seamen is put on board to navigate them. These 54 gun ships may serve then in part as a convoy to the outward bound East Indiamen, and may remain as guardships afterwards in India.

The great importance of increasing the strength of our East Indiamen to carry 54 guns, may be clearly seen, from the following state of the matter: That in times of public necessity and emergency, the British Government would have a bank of naval strength to draw upon, superior to what either France, Spain or Holland, can boast of, as being the result of their East India resources. In the year 1776, there were sixty-six ships then in the service of the East India Company, according to the list of ships abroad in the United East India Company's service, published by order of the Company. Supposing the real tonnage of a 54 gun ship to be more than 864 tons, or 1000, nearly the extreme

extreme size of an East Indiaman in 1776, this will rather be an advantage than loss to the Company.

In time of war, Government and the East India Company, should have a right to purchase such ships, of the Ships-husbands, after they have finished their appointed number of voyages; or to hire them at the rate of so much *per ton*.

In time of peace, such ships may make their voyages to India without striking out their lower ports, upon Government and the East India Company, making up to the Ships-owners the original expence they were at, in altering the former construction of the hulls of their ships, to the capability of carrying 54 guns.

When Government or the East India Company, intend either to purchase, or take up such ships, at so much *per ton*, proper notice should be given to the Ships-husbands, that they may have sufficient time to build other ships for the service of the Company. According to this plan, the trade of that Company can never be distressed for want of ships, since, by having a proper stock of well-seasoned timber upon hand, such ships may be finished in the course of a year.

Q U E R I E S

Addressed to the Master Ship-builders, employed by Government and the East India Company.

F I R S T Q U E R Y.

What additional expence will there be, in the new construction of East Indiamen, to carry 54 guns, when compared with the old?

S E C O N D Q U E R Y.

According to the construction of East Indiamen, to carry 54 guns, when required, Will there not be more stowage for the ship's cargo, than in the ships formerly employed in that trade?

T H I R D Q U E R Y.

Will not the additional strength of the scantlings and timbers  
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of East Indiamen, built upon the new construction, enable such ships in time of peace, to go more voyages to India, than the present ships employed in that trade? This circumstance will be for the advantage of the Ships-husbands, and an inducement to them to countenance the scheme here proposed. It remains only, that Government and the East India Company should give an adequate premium to the ship-builder, who contrives the best plan for the construction of such ships.

### PAPER THIRD,

Published in two letters, addressed to Sir T. C. B. M. P. in 1781, when subscriptions were raised by the noblemen and gentlemen of the county of S. for building a ship of the line for the public service.

As the House of Commons lately ordered an account of the number and tonnage of ships employed in the East India trade, to be laid before them, and, as, in consequence thereof, certain unsuccessful overtures, or propositions, were made by the Board of Admiralty to the Ships-husbands, concerning the converting such ships into ships of force, I intend here to prove, Sir, that the property and management of the shipping employed in the trade of the East India Company, ought to be taken into the hands of Government, upon the future renewal of the Charter of the East India Company, or sooner, if matters can be arranged upon an equitable footing, with those interested in the consequences of the proposed alteration.

The object of transferring to Government, the property and management of the shipping, may be accomplished in two different ways: *1<sup>st</sup>*, By immediate purchase of the shipping employed in that trade; or, *2<sup>dly</sup>*, By Government's building new ships for the use of the Company, as fast as the present ships, belonging to the Ships-husbands, have completed their proper number of voyages.

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The following reasons point out the public utility and necessity of such a measure:

*1<sup>st</sup>*, According to the list of ships in the service of the East India Company, in the year 1781, they amounted to 73 ships, whereof 53 ships were then abroad, besides 20 ships that were at home, belonging to that service. Therefore, supposing the number of 55 ships, upon an average, to be necessary for carrying on the business of the East India Company, the plan of rendering these ships fit for the purposes of war, as well as those of commerce, will add to the British navy, a force equal to 55 sail of ships, each of which, by a future change of scantling and construction, may be made capable of carrying 50 or 60 guns, upon any public emergency.

*2<sup>dly</sup>*, In the proposal made lately by the Board of Admiralty, to the Ships-husbands of the East India Company, there were three different interests to be included, *viz.* That of Government, the Ships-owners, and the Proprietors interest. In such a situation, it is improbable that parties should ever come to any agreement; as, upon the one hand, the Ships-husbands were solicited by Government, and, upon the other, by the Directors of the East India Company. When the renewal, therefore, of the Charter of the East India Company comes before Parliament, the chief pillar of agreement ought to be founded upon this great support of the naval strength of Great Britain, *viz.* That Government should take into its own hands, the future building and direction of the shipping employed in the East India service.

*3<sup>dly</sup>*, By Government taking into their own hands, the property and direction of the East India shipping, all the trading capital of private individuals, now sunk in such branch of traffic, will be thrown into other channels of commercial speculation. The present difficulty of finding owners for such shipping, proves the necessity of the interference of Government.

*4<sup>tly</sup>*,

4<sup>thly</sup>, When the property of the shipping employed in the East India trade belongs to Government, the Directors of that Company may be assured, that the Board of Admiralty will be more attentive to the appointment of strong convoys for the protection of their trade, than they are at present, when such property belongs to private individuals.

5<sup>thly</sup>, In time of peace, many of the men of war, that formerly used to lie rotting in ordinary, may be employed, according to the above proposition, in the carrying trade of the East India Company.

6<sup>thly</sup>, When the property and management of the East India shipping is vested in the hands of Government, the rank and employment of its officers will be more regular and constant than it is at present, from the variety of interests among the Ships-husbands, now concerned in their shipping.

7<sup>thly</sup>, By the present Ships-husbands, it may be objected, that Government will make a job of the carrying trade of the East India Company.

To this supposition, it is a full, laconic, and satisfactory reply, That the revenue of Government depends so much upon the duties paid upon the exports and imports of the East India Company, the more regularly things are managed in the shipping department, it is the better for both parties.

N. B. The above list of shipping, outward and homeward bound, in 1781, is taken from the Public Lists printed by the East India Company.

#### P A P E R F O U R T H.

THOUGHTS concerning a new construction of East Indiamen, that may act as 44 or 54 gun ships, upon any public emergency, either at home or abroad.

To the naval power of Great Britain, it will be a great accession of strength, that her East Indiamen should be so constructed as to carry 44 or 54 guns.

All

All objections to this proposal will be removed, when the following circumstances are well weighed and considered by Government and the East India Company.

From pages 35. and 37. of a report from a Committee of the House of Commons, appointed upon the 11th day of March 1771, to consider how his Majesty's navy may be better supplied with timber,

The following extracts are taken, *viz.* Gabriel Snodgrafs, surveyor of shipping to the Honourable East India Company, being examined by the Committee, is of opinion, page 25. " That the East India Company should build ships, sufficient-ly large to cope with French East Indiamen, by which means, few or no men of war would be required to protect them; consequently, the timber used for building such men of war would be saved, and for which, in the end, they are sure to pay four times as much as it would cost the Company to protect themselves: For, large ships are not only more defensible, but more healthy, and consequently consume a considerable less number of oak-trees, but likewise sail cheaper in proportion than small ships do; and a very amazing saving to the Company arises by surplus tonnage. Other nations know this full well, and proceed on these principles.

" Page 37th. That large ships in the East India trade will transport soldiers better: That other European nations use larger ships in their India trade than we do, and would therefore, in time of war, have great advantages over us: That our ships are not yet sufficient to encounter the foreign ships."

From the perusal of the above opinion, given by the East India Company's Surveyor of shipping, the great importance of increasing the strength of our East Indiamen may be clearly seen. If this proposal is properly attended to by the House of Commons, at present, this country, in times of necessity and emergency, will have a bank of naval strength to draw upon,

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upon, superior to what either France, Spain, or Holland, can boast of, as being the result of their East India resources.

As more ships will be annually employed by the Company, in consequence of the new regulations upon the duty of tea, the number of ships that will be employed in their trade, may, upon a moderate computation, be reckoned 100 sail.

Every proposal then, of this nature, that tends to increase our naval strength, becomes a real point of national œconomy, in time of war. In a point of such importance, therefore, the House of Commons ought to order the Surveyors of the navy, and the Surveyor of the East India Company, to deliver into them the plan for the construction of such East Indiamen, which is best calculated both for the purposes of commerce and defence.

If, to the additional expence of such construction, the Ships-owners start any objections,

The compensation upon such subject should be paid them by a joint bounty from Government and the East India Company.

The ports of such ships may be built in them, so as to strike them out upon occasion.

The advantages to Government, the East India Company, and the Ships-husbands, from the plan here suggested, are as follow.

1<sup>st</sup>, That as the transports that carry our soldiers now upon any expedition, seldom carry above twenty guns, making them an easy prey to the larger privateers of our enemies, when they separate from convoy by stress of weather; so, according to the plan here proposed, Government may take up such ships as transports fit to carry forty-four or fifty-four guns. Every soldier would then, upon an expedition, be an effective man by sea as well as by land, since he can fight the guns of such ships nearly as well as a sailor.

Any number of such transports in time of war will be little inferior to as many line of battle ships.

2<sup>dly</sup>,

2<sup>dly</sup>, As the East India Company never have insured the cargoes of their outward or homeward bound ships, the plan here suggested, of increasing the strength of their shipping, must be regarded in great measure as a future species of insurance against capture in time of war.

When the original construction of their ships is such as to carry forty-four or fifty-four guns, this does not oblige them always to carry such number of guns, since their lower tier ports may be built in them ready to be struck out when required. In case of war, intelligence can be sent out over land to India, so as to fit out such ships of force, some months before men of war can arrive in those parts from Europe.

3<sup>dly</sup>, The plan here suggested, will open two channels of employment in time of war to the Ships-owners, by fixing down to them the chief contracts for the transport-service.

Upon a proper perusal of these three articles of the above scheme, it will appear, that the interest of all parties, both public and private, are fully attended to. Considering the present generous support given by Government to the East India Company, it certainly must give universal satisfaction to find, that the constitutional regulations of such Company may add above one hundred sail of capital ships to the naval power of this country.

*N. B.* Paper fourth was communicated by a friend of the Author to three members of Parliament more than two years ago, who proposed to present such plan to Mr Pitt, with an offer of becoming the owners of such ships. It was likewise communicated to several other members of Parliament, and other persons.

From a perusal of the above papers, written upon the subject of the East India shipping, it is evident, there are three different views in which it may be considered.

1<sup>st</sup>, That the East India Company should build ships for themselves, as recommended in Mr Snodgrass's examination before the Committee of the House of Commons, appointed upon the

11th



11th day of March 1771, to consider how his Majesty's navy may be better supplied with timber. The objection to which is, that, if they were to build for themselves, Government never could command such ships in case of public necessity.

*2dly*, That Government should build such ships, and become Ships-owners. The objection to this is, that all kind of work is done so expensively in the King's yards, that Government would lose by the contract.

*3dly*, That the present Ships-owners should continue as they are, only, in consideration of the high rate of tonnage paid them at present by the East India Company, they shall alter the construction of their ships, according to the most approved model for commerce and defence. This, the Surveyors of shipping to the navy and East India Company, ought to deliver in to the Directors and Board of Admiralty, as specified in Paper fourth.

As Government has so generously assisted the East India Company by the additional tax on windows, to promote the sale of their teas, so it becomes them to agree, that either the whole, or part of what they shall gain in reduction of freight at present, shall go as a bounty to the Ships-owners, to perfect the construction of their shipping, with another bounty from Government. In the following Queries, the reasons are stated why Government should grant such bounty.

#### QUERY I.

As there are always one third of the East India ships at home, may not such ships serve as guardships in time of war?

#### QUERY II.

May not the appointment of officers in the sea-service of the East India Company be vested in the Board of Admiralty? This proposal will reduce greatly the expence of the present half-pay list of the navy. At the same time it gives constant employment to the Captains and Lieutenants of the navy, so as to prevent them from losing a proper knowledge of their profession during a long peace.

peace. At present the peace-establishment of the navy is by no means adequate to the purpose of educating a sufficient number of petty officers for its war-establishment. In war, they are obliged to press such officers from the merchant-service into that of the navy. Whereas, by placing the appointment of officers of East Indiamen in the Board of Admiralty, and putting them under the same articles of war, the navy can be greatly supplied, in case of war, with officers of experience from such service. At present there are certain prejudices existing against officers in the navy being employed in any service of trade. Such objection proceeds from this, that it is imagined it unhinges their ideas of discipline, making them more attentive to private gain than public character and honour.

This prejudice may be removed, either by putting them under the same articles of war as in the navy, or by abolishing all private trade among such officers, giving them, in lieu thereof, an addition to their pay, when employed in such service.

To conclude: As a perusal of the preceding papers states the subjects therein handled in different points of view, so it is in the power of professional people to examine which of the above theories are most reducible to practice.

In questions of such national magnitude, where the interests of so many private and public parties are concerned, and where the consequences of national advantage are so apparent, it is only incumbent on the original proposer, to suggest to Government the general ideas and outlines of them: The act of reducing them into practice, must be the result of her own wisdom and discretion.

In time of war, two circumstances have operated always to increase the freight of their shipping to the East India Company.

*1<sup>st</sup>*, The advanced wages of their seamen.

*2dly*, The insurance of their ships by their owners against capture, in time of war.

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The first of these inconveniencies is removed by their ships companies being in the pay of Government; the second is removed by the additional strength of the ships.

*Note.* Though the East India Company do not insure the cargoes of their ships; however, the Ships-owners may, as they please, insure the ships.

EXTRACT from a Pamphlet, entitled, The PRINCIPLE of the COMMUTATION-ACT, established by Facts. By FRANCIS BARING, Esq; one of the Directors of the East India Company.

“ Instead of paying for the surplus quantity of tea in bullion to foreigners, through the medium of the smuggler, the Company will be enabled to increase their exports to China, in the woollens and lead of this country, to a very considerable amount; and the shipping of this country will also receive a most valuable addition, in the employment of forty-five large ships more than are at present employed. For if the sales can be extended even no further than sixteen millions, the surplus of ten millions will require fifteen ships annually to bring it home; and as the ships of two seasons must be absent together, and a third fleet in a state of preparation, it will require forty-five ships in all to carry on the additional trade; the navigation of which will afford employment for 3450 seamen.

“ In following up this great concern, for the purpose of securing the benefits of it permanently to this country, it will be expedient for the Company to change their system upon two material points. The one is to send silver to China, which can be purchased at present for about 4s. 4d. *per* dollar, instead of being drawn upon from thence at the exchange of 5s. 6d. The other point is to reduce the freight from China, so as to enable us in such trade to rival foreign nations.

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“ The remedy with respect to the last point is difficult: For although it may be urged, that the Company ought and can employ those ships, the owners of which will accept of the lowest freight; yet there are circumstances which deserve attention and consideration, before the Company venture to depart from their ancient usage, under the faith of which large capitals are employed. There cannot, however, be a doubt, but that very material alterations, in this branch of the Company's affairs, must take place; for whatever may be the disposition of the Company, to pay attention to the interests of a numerous and respectable body of men, who have rendered service to them in times of difficulty; yet, the price which the Company now pay for the freight of their ships is so exorbitant, and the public at large are so much interested in the Company's welfare, as to preclude every idea of submitting to the present system.

“ A proposal has lately been made to build a sufficient number of ships for the service of the Company, and for which the owners will contract, for four voyages, at five pounds *per* ton less than the Company at present pay. And as the Company will employ at least 30,000 tons of shipping in each year, the saving will amount to no less than L. 150,000 *per annum*.

“ It would swell this treatise to a volume, to discuss the subject in detail; but it must be evident, even from what has been stated, that the Directors never can discharge the duty which they owe to their constituents, and to the public, unless they make a total reform in this department of the Company's affairs.

“ The quantity of shipping necessary for carrying on the Company's trade is about 100,000 tons. Justice requires, that attention should be shown to the old owners; but the change must be made without delay, and be pursued with that firmness and impartiality which its magnitude and importance require, in order to convince the Proprietors, and the public, that the object will, within a reasonable time, be finally accomplished.”

EXTRACT

EXTRACT from the British Chronicle for June 21st  
and 23d 1786.

EAST INDIA HOUSE.

“ In consequence of a requisition, signed by fourteen Proprietors, a general meeting was held yesterday, to take into consideration the present state of the Company's shipping. The Court being opened, one of the Proprietors commenced the business, with stating, That a difference had taken place between the Court of Directors and the old Ships-owners, by the Directors having come to a resolution to reduce the price of freightage so low, that the Ships-owners declared they were unable to undertake supplying the Company in future. This had been occasioned by some persons having offered to supply shipping at a much cheaper rate than what was paid at present. But although it was the duty of the Court of Directors to act with much frugality, and make every possible saving for the Company; yet it was necessary they should pay some little attention to honour, and take care that their œconomy did not in the end prove a disadvantage. As far as related to the old Ships-owners, the Company was certainly bound to give them the preference, having been faithfully served for many years; and because their ships had been built for that particular service, and in conformity to the orders which had been given, and were therefore unfit for any other employ. On the other hand, the ships which had been offered, were not only not built according to the dimensions which had hitherto been thought necessary, but were most of them old ships of war, purchased from the French and Spaniards. Now, as the Company were their own insurers, and as it was understood the  
Surveyors,

Surveyors, in their report, had expressed themselves doubtful whether these offered ships would be able to perform the voyage to China, it was surely to be considered, whether the hazard of countenancing these new adventurers did not more than over-balance the proposed saving. It was the wish, he knew, of the old Ships-owners, to accommodate matters, as far as they could, with justice to themselves, with the Court of Directors; and he was firmly of opinion, it would be to the advantage of the Company to give both parties an opportunity of so doing. He therefore moved, That the Directors be requested to reconsider their resolutions, as far as they relate to the terms of freightage for the ensuing season.

“ That the question might be properly understood by those present, the minutes of the Court of Directors were called for, and the estimates which had induced them to come to those resolutions. These were readily granted; but much opposition was made by the Deputy-chairman, to reading the depositions of the Surveyors who had examined the proffered ships. This was at length, however, complied with, by which it was found, that one of their ships was hogged, and it was doubtful, whether some others would be able to perform the voyage.

“ A debate then took place, which lasted for more than three hours, the Chairman, Deputy-chairman, and some others behind the bar, contending, That was the motion carried, it would cast some reflections on the Court of Directors; nor could they conceive such reference was at all necessary, as the matter had been so long under consideration. They had divided upon the question of giving the Ships-owners L. 24 per ton; and it was carried in the negative, on ballot by twelve to ten, that they conceived it their duty, as trustees of the Company, to make their expences as light as possible; and as it would be necessary to bring home this year eighteen millions of pounds of tea, and every subsequent one sixteen, by accepting the proposals that had been made, it would prove a saving

ving of at least L. 150,000 *per annum*. The whole of this was denied by the other side. It was positively asserted, that not the least reflection was intended to be thrown on the Court of Directors, but merely to give them an opportunity of accommodating matters with a set of men, who had, for ages, fulfilled their contracts with the greatest nicety. These men had expended to the amount of two millions, to have ships in readiness, which were built exactly according to the dimensions that had been given them; and now they were to be compelled to take L. 23 *per ton*, a sum which they unanimously declared would not be adequate to their expences, or have their ships left useles upon their hands. It was also necessary, they observed, to remember, that these ships were all formed to make a defence in time of war; and although we happily enjoyed peace at present, it was surely at no time proper for the country to trust her security on its continuance. Would the generality of the ships which had been preferred, be able to withstand an attack? Ships which their own servants declared it was doubtful whether they were capable of sailing directly to China and back again. That a set of men should make an offer of such a kind as the Directors had received, might be variously accounted for. They might think it possible to fulfil the contract, upon the terms they had specified, and wish to try this experiment. They might think, if they could once procure the appointment, the old Ship-owners would be ruined, by having put too much confidence in the faith of the Company; and they should then have an opportunity of making up their former losses, by charging what price of tonnage they thought proper. How would the Company extricate themselves from such imposition; for what man of honour and probity would be inclined to risk his property in their service? As to saving which, a pamphlet had fallaciously pretended, and which appeared to be credited by some in the direction, L. 150,000 *per annum*, it was clearly proved, even sup-

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posing the attempt turned out so successful as had been stated, that it would not amount to more than L. 60,000, or upon the average of between a farthing and a halfpenny *per pound* on all teas imported.

“ A variety of other arguments were adduced in support of the motion; but the question being loudly called for, and there scarcely appearing a dissentient voice, the Deputy-chairman proposed it should be decided by ballot, which was strongly contended against. But as there is a standing law, that no question shall be decided otherwise, when required by nine Directors or Proprietors, with their names in writing, a paper was soon procured to answer that purpose, and give those an opportunity of writing on a question, which, from their absence, they must be totally incapable of judging of.

“ The owners of the present shipping employed in the service, seemed yesterday, at the General Court, very much inclined to abate in their usual price, in order to prevent new interlopers.

EAST INDIA HOUSE.

22d June 1786.

“ The Court of Directors of the United Company of Merchants of England, trading to the East Indies, do hereby give notice,

“ That a General Court of the said Company will be held at their house in Leadenhall Street, on Wednesday the 28th inst. from eleven o'clock in the forenoon, until six in the evening, for the determination by ballot, of the following question, *viz.*

“ That it be recommended to the Court of Directors, to reconsider their resolutions of the 17th March, and the 26th of May, relative to the freight of their ships for this season; and also to consider the following resolution, passed at a General Meeting

Meeting

Meeting of the owners of shipping, held at the London Tavern on Wednesday the 21st June 1786, *viz.* " That an offer be made to the Court of Directors to accept L. 24 *per* ton, under the stipulations of a letter of the 26th of May, from the said owners to the Court of Directors, for the China freights of the ensuing season only, and as an experiment, Whether, under any possible regulations or conditions, ships built on the principles required by the Company, from the present owners, can be afforded at so low a freight?"

Upon a perusal of the preceding papers, it will appear, that Mr Baring is so far in the right, and so far in the wrong. He is right so far, as he sets agoing an enquiry into any exorbitant freight, (as he terms it,) that is now paid by the East India Company to the Ships-owners, without an adequate equivalent being given by them to the Company, or to the kingdom in general.

*2do,* He is wrong so far, as he endeavours, by the recommendation of such reduction, to lessen the ship and cargo insurance, that arises now, or may arise in future, from the improved construction of the ships now employed in the East India trade. In the preceding account, extracted from the British Chronicle, dated 21st and 23d June 1786, of what passed in the East India House, it is justly observed, " That the present East Indiamen were all formed to make a defence in time of war; and, although we happily enjoy peace at present, it was surely, at no time, proper for the country to trust her security on its continuance, Would the generality of the ships which had been preferred by the Court of Directors, be able to withstand an attack?" So far therefore, Mr Baring, as a Director, has a right to inquire in what manner the present construction of East Indiamen is answerable to the freight paid during peace and war. However, it is false policy to alienate such reduction of freight, since it is best to proceed, as is suggested in the preceding papers, so that the  
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proper national advantages may be reaped from an improved construction of East Indiamen.

It is an undoubted fact, that if the Directors pursue their system of reduction of freight, they lessen the security of the cargoes of East Indiamen in time of war, and therefore put Government to the farther expence of greater convoys for that Trade. It is very well known, that an offensive war is far preferable to a defensive one; if therefore, our men of war are all employed on convoys, How can we act upon an offensive system against our enemies?

Supposing then, that the construction of East Indiamen is such as to carry 50 or 60 guns, it may be queried, whether or not it would be more economical for Government to defray the additional expence of the war establishment of the ships companies of East Indiamen, than to detach from offensive war the strong convoys they were obliged during last war, in order to protect the outward and homeward bound ships of the East India Company?

F I N I S.



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