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PROPOSAL  
OF A  
SUBSTITUTE FOR FUNDING  
IN  
TIME OF WAR.

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ADDRESSED TO  
THE RIGHT HONORABLE  
WILLIAM PITT,  
CHANCELLOR OF THE EXCHEQUER, &c. &c. &c.

BY  
JOHN PRINSEP, MERCHANT.

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*Nec aspera terrent,—*

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1797.

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*ADVERTISEMENT.*

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IT seems necessary, and will doubtless be expected, that the writer should address some prefatory remarks to the public, as well as to the minister, on the production of a plan, novel and unprecedented in the practice of British finance, and which is intended to absorb all its ordinary resources from paper anticipation. In stating these remarks, I shall endeavour to be as brief as the nature of the subject will permit.

My plan, though new in practice to these realms, is not the offspring of wild theory and untried speculation: it comes forward sanctioned and recommended by the complete success of a similar expedient adopted in the

A East

( ii )

East Indies, and still in operation there. It was originally devised and suggested by the writer himself, as will appear in the sequel, in the year 1781, in order to support public and private credit, then drooping under the complicated burthens, occasioned in the first place by the Mahratta War, and secondly by Hyder Ally's invasion of the Carnatic.

Mr. Hastings had succeeded in 1772 to the government of Bengal. His arrangements with Suja Doulah, at the beginning of his administration, and the subsequent regulation of the Company's affairs, by the act of 1773, appointing Judges and a Supreme Council, which established that gentleman

Governor General, were productive of the happiest effects, and brought an influx of wealth into the Bengal Treasury; but the Mahratta and Hyder's wars drained it completely, and paved the way to the alarming crisis,

( iii )

crisis which I shall more circumstantially comment upon in the sequel. My suggestion was not adopted in its full extent till the year 1785. Though its salutary effects were general, few have traced it through its several stages and progressive operation. The Directors, if questioned how and by what means the expences of the two last wars in India

were defrayed, may probably reply, "By our land revenues, and the accumulating profits of our trade." But the fact will turn out otherwise. These heavy expences were met and supported by the institution of the Certificate Plan, which now serves as the model for a similar, but more comprehensive measure.

From the first adoption of this plan to the present hour, nearly fifty millions sterling, borrowed without a bonus, at a premium below the common rate of interest of the country,

( iv )

country, have passed through that medium of resource; by which expedient the Company were relieved from the fatal necessity of borrowing, as we have done in this country, at enormous loss and disadvantage. The circulating medium it created produced an active capital, which communicated life and motion to every branch of commerce and reproduction, in the same manner as the Funds and Bank paper of these realms, but possessing the beneficial qualities of both. It operated in a double capacity, as a concealment of property, and as a certificate of claim on the Company, which in the event, at that time seriously dreaded, of a general expulsion of all Europeans from the Continent of Asia, would have constituted an evidence of debt recoverable from the Company in England. Such a portable voucher I now recommend—a voucher which at once shall be evidence of its specific

credit;

( v )

credit; and, in the event—which heaven graciously avert—of extreme calamity, from internal troubles or foreign invasion, such of these notes as shall be issued in payment of the dividends on the funds, might at the same time be contrived to certify and ascertain the exact capital held by those in whose name it was originally issued. Thus we should be provided with a competent

\* Let us suppose for a moment, by way of illustrating the subject, that the daring attempts on the Bank, during the memorable period of Lord George Gordon's riots, had actually succeeded, what, in that case, give me leave to ask, would have become of the funds? Whereas, by adopting the Certificate Plan, that property might be rendered permanent and secure. I will not press a comparison of the preference these Bills would, under such circumstances, challenge, in every respect, over Bank Notes; my aim is not to depreciate the value and importance of the latter, as a necessary commercial medium, nor will my plan in any degree impede or contract their circulation. On the contrary, the Certificate Bills not being made a tender in revenue, like Sterling-Money and Bank-Paper, the credit of the latter would receive support, instead of detriment, from the former.

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security

( vi )

security in an extreme case, which our enemies will doubtless make their aim—the destruction of our national books of accompts, comprising the register of the funded debt of the empire.

Such a voucher will form one of the strongest links in the grand political chain which connects the Government and the People—putting the subject incessantly in mind of his dependance on good order and tranquillity for the preservation of his comforts, and enjoining administration to account frequently and punctually for the application of the levies it exacts.

From what has been advanced, the public, I trust, will perceive, that, if I prescribe a strong remedy, I assume a desperate case. My wish is to anticipate the disorder, to administer a preventive rather than a cure.

if

( vii )

if I require personal sacrifices, I tender in return personal security.

If I am called upon to point out the funds which are to pay the interest, and progressively clear off the principal of the new

bills, which form the ground-work of my plan, I answer, by the savings they create, and the greater products of the taxes already voted,—but I may be allowed to ask in return, where else are the funds to be met with to answer the present extra expenditure? By taking seven millions in a lump, and funding, if seven more are not engaged

Such is the scope—such are the prominent features of my plan. Well am I aware of the reception it will probably experience: I hold myself prepared to hear innumerable objections started against it. Be it so—I court discussion, and am borne up, by the

consciousness

( viii )

consciousness of pure intentions, against all apprehension of disgrace : I tender my humble contribution for the general good ; let those who reject the offering, approve, however, of the motive ; let my well-meant attempt stimulate them to more successful exertions ; let them supply in skill what I have been deficient in abilities ; let them step forward and produce a plan more efficient, more promising and salutary ; let them perform this, and I shall consider myself amply rewarded for the part I have taken in the work, and for my personal share of labour in the public cause.

# PROPOSAL

## OF A SUBSTITUTE FOR FUNDING

### In Time of War.

SIR,

THE Writer who now addresses you, though in some degree a public character, is no party man ; his only aim in this publication is to promote the national prosperity, by suggesting the most lenient and salutary measures for retrieving the affairs of his country. He subscribed, as a Citizen of London, to the declaration at Grocers' Hall, and made all his payments to the Loan of Eighteen Millions ;—he opposed, as an East India Proprietor, the Consolidation of the Indian Army with the troops of the line, the appointment of Recorders to Bombay and Madras, and fixing a

term

term for pensioning the Judges at Fort William;—  
 At an advanced stage of life, surrounded by a  
 numerous offspring, he re-embarked, on the eve of  
 this disastrous war, his property and all the future  
 prospects of a family, in the fortunes of his coun-  
 try. So much for his stake and conduct in society.  
 So much it indeed seemed necessary to premise  
 concerning the writer, lest his motives in this  
 address should be perverted or mistaken.

Long, Sir, have the inhabitants of this country  
 foreseen and deprecated the storm which now seems  
 ready to burst over their heads. They have watched,  
 with anxious solicitude, its gradual approach; they  
 have seen the gloomy prospect gather and blacken.  
 They have anticipated the call you have now made  
 on the country's last stake, and too justly estimated  
 the inefficacy of those frequent financial palliatives,  
 in which you have been compelled to persevere.

The land, the funds, the capitals of all wealthy  
 societies, have, for a twelvemonth past, expected  
 your requisitions; the Public mind is made up to  
 its fate; and, at no period of our history were  
 property and opinion more firmly united in support

of

of the Constitution. Trade indeed apprehends no  
 new levies, because it is acknowledged by yourself,  
 that instead of contributing farther, immediate  
 and substantial relief is necessary to secure its own  
 existence.

Before you have recourse to such hazardous, I will  
 not say, desperate remedies, deign, Sir, to examine  
 attentively, a principle which has once already  
 saved your Country from a similar calamity to that  
 now impending over her; for, in saving India, it has  
 preserved Great Britain from destruction. Conde-  
 scend to analyze a system, sanctioned by twelve years  
 of practical and successful experiment—a system  
 which, had it suffered no invasions, would have  
 carried its government through a second, after clear-  
 ing off the enormous debt of a former war with  
 all the powers of the East, aided by all the mari-  
 time strength of Europe.

When the vessel of state is in danger of foundering,  
 all must work at the pump. In this severe con-  
 flict, the VENERABLE has lost so much of her stand-  
 ing and running rigging; has received so many shots

B 2

between



between wind and water; has been so often raked by the joint fleets of her adversaries; has lost so many of her gallant defenders; has even been mistaken for an enemy, and fired into by her consort; that she can hardly keep the sea.—“All hands” have been called, and the crisis is critical, is perilous indeed.

At such a moment, I obey, for I am not able to resist the impulse of an impression on my mind, that what is now submitted to you and to my countrymen at large, may conduce to the general good. Certain am I, that it can prove of no possible injury to the cause in which we are embarked. If, happily, it should excite us to look the crisis steadily in the face (for fear magnifies danger—panic annihilates all faculty of resistance);—if, I say, we can once ascertain the extent of our difficulties, and the measure of our yet unimpaired resources, we are safe.

Let our enemies, also, compare the expedient here offered for the fifth year of the war, with their own plan of assignats, and the subsequent expedients

expedients of mandats and recipices.—Dear-bought experience of the miseries they have produced, will have taught them to draw an accurate comparison. In charity, I wish them to reflect upon, and, if not yet too late, to accommodate this principle,—a principle which they uniformly professed, but have flagrantly and repeatedly violated, to their own finance.

Every one has seen the effects of modern finance in maintaining the sanguinary contest; few have attempted to ascertain its effects, as an instrument that might be employed for restoring peace.—It would be no less pleasing than singular, that discoveries made in the ancient finance of Asia, should be found subservient to the restoration of peace among the nations of Europe\*.”

\* Though this extract from a most valuable dissertation on General Finance does not immediately apply to the principle now under illustration, it is adduced to shew the sentiments of an able and well-informed writer, on the benefits of adopting and modifying the genuine and approved systems of antiquity, and of other countries, to the ameliorating that of our own.

[ 6 ]

I entertain some faint hopes, that the contemplation upon this, one of our yet unimpaired, untouched resources, may contribute to instil a more temperate spirit into the councils of our adversaries, and influence their government to atone for its arrogant pretensions, by an offer of such equitable terms, as may yet lead the two nations again into the relations of peace and amity, and close the horrible scene of blood, anarchy, and devastation.

From every combat with our natural weapons we have come off victorious. The strength of our Navy, and of our credit on the Exchanges of Europe, have successively discomfited the fleets of our enemies, and their more dangerous, because more insidious attacks on our commercial system.

Bank-Paper against assignats, Howe against Joyeuse, St. Vincent against Langara, or Duncan against the gallant De Winter, British courage and British probity have, and I trust ever will prevail.

The suggestion now offered for your serious consideration, is not the result of vague theory or

[ 7 ]

or untried speculation; it imposes no intolerable and oppressive additional tax on the shoulders of the public—no assessment which cannot be levied—no compulsion to such a retrenchment of domestic comforts as shall, by its recoil, cut off our other yet effective resources, and by annihilating trade, and creating further defalcations of revenue, lead to the most fatal convulsions.

The plan, in its establishment and operations, will produce no interruption in the intercourse of society; invade none of the principles of our constitution; exact much less from the people than has been already called for this session *as part only of the burdens of the year*. It attempts to attain, in a great degree, what seems generally to have been given up as impracticable—AN EQUAL CONTRIBUTION FROM PERSONAL PROPERTY; it enables you to abandon the fallacious and oppressive measure of taxing on the scale of every man's expenditure, which is now confessed to be neither the criterion of his property nor of his ability to pay.

The measure now proposed is no infraction of the law, which guarantees the funds from taxation;

[ 8 ]

tion; nor will it invade the annual vote of the supply from land and malt.

Instead of a tenth part of every man's income, not more, if so much as \*a twentieth, will be required on a medium,—and that, not enforced by an inexorable tax-gatherer, or a board of revenue commissioners; not paid to the State, but by one subject to another, in the common transactions of life, according to reciprocal convenience, by mutual convention.

In fact, Sir, if you will condescend to compare the operation of your own plan for the redemption of the national debt, a measure which must prove a source of proud and permanent consolation in the midst of all your accumulating difficulties, with that of the proposal I now offer, you will find, or I am greatly blinded by zeal and anxiety, that their principles are nearly similar, their effects equally salutary as extensive; and that, if both can be made to co-operate

and

\* Taking five per cent. as the discount on paper just issued. See the plan.

[ 9 ]

and act in concert, the union would enable you to recollect with satisfaction, and exultingly repeat those declarations of your early political life, which your adversaries triumphantly upbraid you with having abandoned and renounced.

Put these machines in conjoint motion, keep their wheels clean, and ease their friction by reasonable lubrication; incumber them with no complications, and their own natural powers will quietly perform what every honest statesman wishes, and every subject begins to despair of seeing accomplished;—while clamorous demagogues are bellowing for reform, in order, by creating confusion, to glut their own disappointed avarice or ambition; and some ardent spirits rashly urge the people to undertake it, while the more moderate patriot retires in anguish from the hopeless contention. The world will then soon witness a competent improvement, gradually and quietly effected in the system of finance, and ultimately in every other department of the state.

I cannot better illustrate my meaning, than by producing a plain narrative of the memorable

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effects

effects of a similar measure in our eastern dominions, at a period not far remote; though the events have escaped notice, and both the prompter and the actors on that theatre seem to have passed without attention or applause.

The parallel between the situation of yourself at the present crisis, and Mr. Hastings in the year 1781, will hold in more instances than one. I will trouble you with only a single comparison for illustration of my subject.

The measures of that great man, after his accession to the government of India in 1772, had again restored the Company's affairs, from a state of poverty and distress, to an astonishing reverse of wealth and prosperity. In the third year of his administration, the treasury overflowed; and such was the superabundance of specie in Calcutta at that period, that it even threatened to suffocate commerce.

• Mr. Hastings acceded to the Bengal Government in 1772.  
The Mahratta War was undertaken in 1772.  
The Regulating Act passed in the year 1773.  
Hyder Ally invaded the Carnatic in 1780.

commerce itself;—a considerable sum was actually walled up in the casements of Fort-William, to prevent a plethora in circulation!

In Great-Britain, on the eve of this unfortunate war, our prosperity rose to a pitch unprecedented in the annals of history. Our mercantile capital, as a celebrated author observed, “was then so great, “that it was, as it were, continually overflowing; “sometimes into the public funds of other countries; sometimes into loans, to private traders “and adventurers of other countries; sometimes “into the most round-about foreign trades “of consumption; and sometimes into the “carrying trade. All near employments were “completely filled up; all the capitals, which “could be placed in them with any tolerable “profit, had already been placed in them.— “Our national capital, therefore, necessarily “flowed towards the most distant employments; “and the trade to the East-Indies, *if it had been “altogether free,* would probably have absorbed “the greater part of this redundant capital.”—

Such;

Such, in short, was the exuberant prosperity of the kingdom, that you stood only hesitating whether to wait till 3 per cents. were at par, or to negotiate at 96, in order to redeem the 4 and 5 per cents. by a new loan in consols.

Alas! how transient and precarious are the halcyon days of political happiness! like the flitting dreams of the morning, they vanish on the first disturbance or attack. A new war, unlooked for by government or the people, broke out in the East. The Hannibal of Asia rushed in upon the defenceless Carnatic with fire and sword. An enemy, though not absolutely despised, not then dreaded by his neighbours, carried all before him; a war, disastrous in its events, and unparalleled in its expence to the Company, joined to an unnatural and impolitic drain of our provinces, to supply, through the medium of public investments, the Company's necessities at home, soon exhausted all the hoarded treasures, and created a mass of enormous arrears upon the revenue. Here, too, the justice and necessity of resistance

resistance by arms were asserted and admitted, tho' the calamity was universally felt and deplored. The imperious calls from home were likewise to be answered, or the Company's existence was despaired of.

A bond-debt was the first expedient resorted to; then treasury orders for commercial and general purposes. At length the salaries of civil, and the pay of the military officers, after a long and cruel arrear had necessarily been submitted to in silence: these arrears, and future allowances, were ordered to be also paid in paper,—bearing interest, it is true, but which, having no definitive prospect or limited period of payment, of consequence, at their utterance, suffered considerable depreciation. As the public expenditure continued to exceed the income, it followed, in the natural course of things, that a total stagnation ensued.

I will not stop here to contrast this with our situation at the present moment, nor press a parallel so obvious to every common understanding.

The

The crisis was early foreseen; and some of the Governor's best friends, who had steadily marked the vigour of his mind, and regretted the difficulties he had to encounter; who had experienced the genial warmth of his patronage, though they had not frequently partaken of the blandishments of his Court, or shared in the sweet urbanity of his few social hours; who had neither flattered nor resisted the measures of his administration; these \*friends had often pressed him to consider Paper circulation as an important and early resource.

Great and comprehensive as are the genius and resources of Mr. Hastings' mind, he either never calmly contemplated this object; or else, perhaps, conscious of its unbounded powers, his judgment hesitated to bring a machine into action, the motions of which he might afterwards be unable to control.

Whatever

\* Among the number, the late Mr. Henry Guinand, a most valued friend of the Author, was frequently consulted; and it is sufficient praise of this plan to say, that it obtained his entire approbation.

Whatever might have been the cause, he uniformly manifested the utmost reluctance to the uttering any kind of paper; and, after bonds had been resorted to, as far as practicable, he determined to abide the last extremity, rather than apply any other remedy of the kind. The predicted moment of this extremity, however, too rapidly advanced.

In the mean time, and in order to induce the Governor General's conviction of the utility and necessity of a paper currency, by giving it the support of public opinion, if favourable, one of these friends, most affectionately attached to his fortunes, and indebted to him for all he possessed, determined to submit to the community at large his appeal on a great state measure; which, but for this unfortunate prejudice against it, ought never to have been canvassed out of the Cabinet.

The following is an extract of one among a number of Effays which appeared in the Calcutta papers of that period:—it was published in  
Messinko'

Messinko' Gazette, on the 2d of July 1781\*, under the signature of Z.

Let Government pay the Civil and Marine Establishments in notes at three or four months, bearing the same interest (8 per cent.) after one month, as upon the present bond debt.

By this operation, it will have effected a loan of about twenty lacks of rupees (£.240,000) in transfer of the servants' salaries: and, as the revenues must be competent to pay off this sum when money comes in (though not perhaps, as each note falls

By the reproduction of this political outline, it is not meant to derogate from the merits or the wisdom of Mr. (now Sir John) Macpherson; nor to insinuate, that his minute of the 15th December, 1785, was taken from the suggestions it contained. It is much more gratifying to the Author of that Essay to suppose, the regulations recommended in his minute were the genuine dictates of his own judgment, or of some confidential friend; and that the Governor General never perused the newspapers of 1781. Though his country has never rewarded, because his modesty has never blazoned the merit of this transaction, I shall ever bear grateful testimony of the salutary relief from ruin, which it afforded to me, and to every trader of the settlement.

falls due); there can be little doubt it will afford means of taking up the notes IN TURN.

Observe well the operation of this measure.— Those officers and civil servants, who have large salaries, or money before hand, will keep this paper, and increase their savings by the interest. Others, who may want a part, or the whole, in ready money, will carry them to the (proposed) \*Bank, where they will be discounted, half payable in cash, and the other in Bank notes, to bearer, on demand,

Every man may then turn Company's notes into cash at an hour's notice: he will keep them for the sake of the interest till the day when he shall have payments to make, and in general this paper will be accepted by one person from another, without the intervention of the Bank, and thus the benefits of that establishment be diffused beyond the circle of its own immediate operations.

Soon afterwards established, though not precisely on the plan then sketched out.

"I presume that these notes would bear no greater deduction at market, than the difference between the interest they carry (8 per cent.) and that paid by any private man of credit at the presidency, (12 per cent.)\*\*"

"I have here shewn how a Paper circulation may be accomplished. In the last place I offer my opinion, that appropriating the first twenty lacks, thereby saved in three months out of the ordinary issues, to the discharge of the first notes that become due, this step, by raising the public credit, would alter the great discount at present demanded on Company's Bonds. For, as safe remittances are not to be had, heavy paper would be the securest stock for the fortunes of gentlemen and opulent natives, and the † lighter paper, with the interest on the other, prove beneficial and certain resources for their current expences. The

\*\* The event for some time justified this presumption.

† That is, Company's Bonds, for which there was no period of payment fixed, until 1793, when they were put on the General Register.

‡ Registered certificates.

The plan was universally well spoken of, though its author chose to remain concealed.

Commercial orders had previously been issued; and soon afterwards the civil and military began to be paid: first, partly, and afterwards their whole stipends, in treasury orders. This was only adopting the suggestion by halves; it was referred for the succeeding Governor-General to complete the arrangement.\*

Between the years 1781 and the end of 1785, affairs had been daily growing more embarrassed. In the month of December, the treasury exhibited the following statement of its own distresses:—

Bengal  
gentlemen and opulent natives, and the † lighter

\* Previous to the publication of this certificate-plan, there was no regulation in the treasury disbursements. The governor, it is true, was treasurer; but the deputies under him in that office were suspected to have paid the drafts that came upon the treasury in cash, very much according to their own discretion, if not to their private emolument.



Bengal bonds, past due . . .	£1,700,000	} Sterling.
Floating commercial paper	750,000	
Other paper, and substantiated claims	2,120,000	
Required for the ensuing year's Investment of Cargoes for Europe	800,000	
	<u>* £5,370,000</u>	

Super-added to which, a mass of unliquidated claims had accumulated to a large amount.

The advices received from Bombay stated, that an explosion was daily expected there; and such were the distresses of the army on the Malabar coast, such the discredit of the Company's paper, that the former had plundered the bazar (market), and the latter was at a discount of 70 per cent.

Accounts equally alarming were received from Madras: so insupportable was the distress of the sepoy

\* More than a year's net land rent. The collections of revenue there, are not land-tax, but actual produce from the farming of the soil.

sepoys there, that some of them actually sold their children to procure themselves food! Six thousand men had laid down their arms, and were marching off to Tippoo, merely to avoid being starved to death! That Prince would certainly have availed himself of this critical moment for renewing the ravages of his father, had he not been inspired with a suspicion of treachery amongst his own Generals: it was indeed reported and believed that they had assassinated him at Seringapatam.

The large sums which had been sent annually from Bengal in specie, particularly one of about £100,000, furnished at this period, for enabling the Councils of Madras, and Bombay to enter on a plan for liquidation of the arrears at each of those presidencies, produced a most alarming crisis at Calcutta; and the period arrived, when bills on the Company (till then an infallible resource), would no longer raise a rupee. The general aspect of affairs was awful beyond any conception at this distance of time;—not a shilling in the treasury!—three armies, consisting nearly

nearly of one hundred thousand men, in arrear to the amount of two millions sterling!—not a rupee could be borrowed; and in that country then, as unfortunately ever since, new taxation was impracticable.

In this afflicting embarrassment, what was to be done?—What expedient could prudence devise to retrieve the company's affairs? Exactly that which is here recommended in the present crisis of our affairs at home, and which had escaped or been rejected by Mr. Hastings; that which, together with other economical arrangements of this short administration, assuredly laid the foundation of a complete reform, which has since reflected so much splendor on the government of Marquis Cornwallis.

At this awful moment, Mr. Macpherson produced in the Supreme Council his minute, containing regulations for a Certificate Plan, dated the 15th December 1785;—the great principle of which was, "*Payment in Turn*, according to priority of date."—The following advertisement appeared in the next Calcutta Gazette:

“ Extract

“ Extract proceedings of Bengal Secret Department of Inspection, the 20th December, 1785.”

“ Ordered, That the following advertisement be published in the next Gazette, in the English, Persian, and Bengal Languages:—”

“ Fort - William, Secret Department of Inspection, 20th December, 1785.”

“ The Honourable the Governor-General and Council, having taken into their consideration the present rate of discount demanded in the negotiation of the Company's paper, have resolved, that in future all Company's paper, with the exception of Company's bonds, shall be discharged regularly, according to priority of date; and that the public may be satisfied in respect to the impartial and full execution of this resolution, Government have directed that a complete General Register be formed of all the Company's paper, with the exception before-mentioned, that may be in cir-

...ulation on 31st of December, 1785, which Register shall be published. It is resolved, that all the demands which it exhibits shall in future be regularly discharged according to priority of date; and that all payments to be made according to this public notice shall be announced by advertisements for the general satisfaction of the proprietors of paper."

"Published by order of the Honourable the Governor General and Council."

(Signed)

A portion of the current collections of revenue, after providing for indispensable payments towards the support of the army, the inferior servants and labourers on the public works, was thus designed and most faithfully applied to discharge, in registered rotation, and independent of all favor or partiality, the debts of the Khalsa, or Exchequer.

These debts were all called in, and certificates made out according to priority of claim for every specific

specific debt (in subdivisions to suit the creditors' convenience) payable to bearer. The oldest paper was first paid, from the sum set apart to discharge the whole progressively. All subsequent payments were afterwards made in these certificates registered in the same manner; so that, after the first payment of them had taken place, (the first numbers discharged in money) a "circulation was effected," and the whole mass of public debt and expenditure was exhausting itself at one end, while it was growing at the other.

(Signed)

Every man in the settlement witnessed the magical effects of this measure: it operated like a charm in restoring public confidence, which, once secured, this moving fund acquired life and activity. Every proprietor in it, as had been predicted in 1781, could calculate by the Monthly Gazette the advance of his number to payment in cash, on which he then gained the interest, and if a purchased note, the discount also. The cash received was naturally applied to buy another number. The greater the occasional discount, which varied according

according to circumstances needless to detail on this occasion, the more was avarice induced to drag forth her latent hoards from concealment.

Such was at length the activity of this fund (the certificates), and so strict the fidelity with which the rule of payment was adhered to, that in a short time it absorbed in its vortex the money of the natives, and attracted large sums from Europe. At no remote period from the commencement of this plan, treasury certificates just issued could raise cash in the market, on a discount less than the legal interest of money.

Had this plan been rigidly persevered in by Lord Cornwallis, most of the dead cash of India would have been thus employed; for the natives justly considered the revenues of our territory, as well as the faith of government, to stand pledged for the punctual payments. The certificate being registered, and payable to bearer, it was at once a certain security and concealment of property. It was better to the native than a Saugar's (banker's)

bill

bill: it afforded a source of profit to the wealthy European in its discount and productive interest, and many fortunes were accumulated by no other means than by trading in certificates; for, as this paper could always be exchanged against hard money, and long paper against short\*, or in other words, new against that which approached the period of liquidation, a constant interchange of one for the other enlivened the circulation; and experience of the mutual convenience thus afforded, by increasing its estimation in the public opinion, kept down the discount and lightened the burden, when circumstances

\* Extract of the Calcutta Gazette, February 10, 1787.

The following is the rate of discount on certificates negotiated yesterday: —

May, 1786, at	1	8	rupees, per cent. more or less
June..... at	1	8	ditto ditto
July..... at	2	8	ditto ditto
August..... at	3	10	ditto ditto
September..... at	3	10	ditto ditto
October..... at	4	4	ditto ditto
November..... at	5	0	ditto ditto
December..... at	5	12	ditto ditto
Jan. 1787, at	6	8	ditto ditto
February..... at	7	4	ditto ditto

Allowing for the different rates of interest in the two countries, the discount here on new paper would be only 2l. 7s. per cent. E 2

circumstances compelled government occasionally to overload the market.

This just and equitable principle of paying according to priority, not only relieved the pressing exigencies for which it was created, but carried government through all its difficulties—by enabling it to be just, it sanctioned a rigid discipline and reform of abuses in every department—called in all balances in the hands of paymasters—brought defaulters to a strict account—and placed the treasury so much at ease, that it seemed at length practicable to reduce the premium from eight to six per cent. on the subsequent issue of certificates.

It may be adduced as no weak proof of the strength and excellence of the original plan, that it suffered from the first deviation: it is therefore but fair to presume, that had it been left on the footing first established, and not been infringed by variations of interest and other changes, it might have worked off all the India debt: and, after extinguish-

ing itself, have left the revenues to produce a mercantile aid to the funds of the Mother Country, on the Participation Treaty of 1793.

But to effect so desirable an object, other measures than those pursued were necessary. The Bengal certificate-plan must, I say, have been left to die a natural death; it might have borne the bond-debt which has since been engrafted upon it, and even the debts of the other presidencies, which have been super-added; but the rate of interest should have remained fixed, as first established.—In my present opinion, it would have been better to have originally equalized it with that of individuals, for reasons which will be assigned hereafter.

Other measures must have been adopted for the Government of Asia. Our obvious policy should have been, to sustain, not to invade, the rights of the great mass of natives, in order to revive an obsolete system in favour of a few impoverished families who had long ceased to urge their pretensions, and establish one only fixed assessment or quit-

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quit-rent, at the penalty of abandoning all the other sources of legitimate contribution upon the land, or the purses of our Indian subjects:

Great and extensive beyond the most sanguine expectation have been the benefits derived from this fortunate expedient. No man, who is able to calculate what might have been the consequences, and the situation of India, if this measure had not been devised; no man who compares the former state of the Company's affairs with their present condition, as described by Mr. Dundas, in his annual reports to Parliament, will refuse his testimony to the complete success it has met with. Experience, therefore, the surest guide to wisdom, has fully justified Mr. Macpherson's confidence in adopting it.

In the present situation of affairs, I submit, Sir, to your consideration, whether we may not be warranted in making essay of a similar experiment, with proper modifications. If the measure be a strong one, does not the occasion call for vigorous and effectual aid? The public are summoned to contribute an unusual part of their property to preserve the remainder.

[ 31 ]

remainder. Will that public refuse to give effect to a plan, which will indemnify them for most, if not for the whole, of what they have consented to part with?

If the triple assessment, in about two years, would save the funding a capital of between forty and fifty millions, and the entail of £150,000 per annum, till that fund shall be redeemed, the plan of Confederation Bills will have an equal, if not more extensive effect; it will save all funding till after the incumbrances of the war are rubbed off, and possibly preclude the necessity of ever funding again in your days or mine.

The practical benefits of this system have been demonstrated by an experience of twelve years, in the most valuable of our foreign dependencies.— May it not here, as in Bengal, extract all the cash balances out of the offices of disbursement—cleanse the clock-work of finance—ease all friction in its movements; and banish all plea and opportunity for speculation, by enabling Government to settle

settle the accounts of its treasurers and paymasters, without procrastination, since it affords the means of paying instantly whatever sums are substantiated as their due? The contributions of the subject would therefore flow clean, and immediately to the services for which they are voted.

The necessity it will impose, of producing monthly statements of fresh debts, and payments, of receipts and expected demands, will compel the subordinate offices to keep their accounts brought up, and oblige them to pay in, as they receive money; so that no interest will be lost either by the state which levies, or the subject who pays the contribution.

The party receiving this productive paper will be thus relieved from all future disappointment. The collection of our taxes gives Government at present only a momentary possession of the money of the country, which passes through the Bank into all the various branches of public expenditure; some of which, through the pressure of business which the war has created, are said to have fallen into confusion with respect to their accounts. Whereas

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this plan offers the use, at common interest, of the total amount of the bills in circulation, and, moreover, by lessening the cash-strains upon the Treasury for ordinary purposes, will leave a larger sum of money at the command of Government, for those exigencies which can be supplied with ready money only.

All salaries of the civil and military officers, all contracts for navy, victualling, and ordnance—all pensions above 60l. per annum, are here proposed to be paid in paper; the amount of which, if suffered to run six months only, may furnish a circulation of ten or twelve millions.

The party receiving this productive paper will be thus relieved from all future disappointment—a matter of great importance to his comfort; for delay, in general, to people of limited income, is more distressing than a small deduction for prompt payment. The public, and the individuals of this class, are both accommodated; the one with the use of the money at common interest, and without premium; the other with the means of purchasing his little comforts without running in debt.

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Put the case, that new Contribution-paper bears 5 per cent. discount when first issued. Would any officer of his Majesty's household hesitate one moment to prefer that kind of prompt payment to remaining seven quarters in arrear? The same convenience attaches to contractors, and men of every description embarked in trade. The command of capital, and opportunity of quick returns, are to them considerations of the first importance, and which none will refuse to purchase at a premium.

This paper, it cannot be too often repeated, will thus be always ready money to those who are obliged to dispose of it, and every day's possession lucrative to those who are able to keep it by them. And on this circumstance experience warrants no inconsiderable dependence for its popularity and success.

All classes have been imperiously called on, from the emergency of our situation, to make great sacrifices. By this plan all will be accommodated, as far as the crisis will admit.—Every one will receive a negotiable value for the

credit

credit he gives the State; and if all are not satisfied completely to their wishes, who of us can justly say he is not so, beyond any reasonable expectation?—beyond all hope to be formed under the present aspect of affairs? while Government will possess the power of being just and impartial, if not punctual, to its engagements.

I have assumed ten millions as the floating aid to be expected from the plan, if all the exceptions are retained. If that sum be not sufficient to preclude the necessity of funding, some of them must be struck off: necessity, in this event, has no discretion. I confess, that I see no other remedy, than paying the funds in the same mode as the salaries; and, if that should prove to be the case, I would go farther still: I would take in all the avowed emoluments of public offices beyond a certain sum; and call in all the dividends of the great corporations and societies, and pay their Proprietors in the same coin.

We are told the danger is imminent; if so, let the remedy meet it;—let it be effectual. No half-

measures



measures will do. The country, as I remarked before, was never more firmly united, and determined to stand or fall with the Constitution.— What, in fact, is this sacrifice?—a twentieth,\* or at most a fifteenth of a few years' income— 'Tis nothing!

I am the more inclined to hazard the proceeding to this length at the commencement, because it is evident, that the greater the sum raised, the sooner payments may begin; and the smaller proportionate amount of paper will continue in circulation;—of course, the lighter the discount, and the more diffusive the burden created.—It is indeed no burden—it will scarcely be felt at all, except as an innovation.

Suppose, with all these additions, the sum amounted even to forty millions in the year, and that the payments were kept up to six months—a supply of forty millions is created at 5 per cent. while half the sum only is floating in paper; or rather say, twenty millions would be lent by the public

twice over to itself within the space of twelve months.

Will  
\* Taking the discount on new paper at 5 per cent.

Will our enemies dare to persist in the war, when they see such an exertion of public spirit in the people—such an accession to our national resource?—Impossible.

Will\* twenty millions of paper oppress circulation?—Not a feather's weight.—Permit me, Sir, to ask, at what price, now, could forty millions of new stock be disposed of? In what manner would a fresh loan to that amount operate at this moment?—It would be unmarketable.

Forty millions, added to the old and new taxes, would be more than adequate to all our necessities, or your parliamentary statements are strangely erroneous; it would make the treasury rich—Rich?

Yes, I repeat it rich—Rich in the fifth year of a ruinous war, which has added two hundred millions to the national debt! It will make us rich, because our means (for the moment at least) will exceed our wants, and put it in our power, if we have

\* What was lately the amount of Exchequer, Navy, and Victualling, of Hambro' and other Bills of Exchange, and what would have been the total Government-paper circulation, had the Bank complied with all your requisitions?  
Taking the discount on new paper at 5 per cent.

have the sense and intrepidity to avail ourselves of the occasion, to retrench superfluous and unnecessary expence; to adopt the recommendation of the Committee of Public Accounts, and set out upon a new plan:—it will restore us, or nothing will, to—PEACE!

The hour of calamity is the season of contrition; sickness and repentance are generally constant companions: the sinner on his couch makes the most pious vows of reformation, if heaven will grant his prayers for recovery;—but, with returning health, returns a taste for pleasure and dissipation. Adieu! then, to all recollection of past sufferings and resolves.

In pain, we cheerfully submit to medicine; in prison, we assign part of our property to a creditor, or promise retrenchment to a friend who becomes our bondsman.

This is not the time, I have already admitted, to talk much about a change in the system of conducting public business, or in the representation;

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such topics might sow distrust, and effect disunion among those who must be employed in the offices of government; but if the seeds of improvement are not now thrown in, I doubt whether any will ever spring up in our soil.

The tendency of this measure, by removing all opportunities of partiality and speculation, in order to pave the way for, and make a gradual improvement in our system of finance and supplies, one of the natural consequences of its operations,—has been explained in another place, and supported by a memorable and recent example.

Whether there exist a sufficiency of public virtue to follow the precedent, remains to be seen: all admit the necessity, but no one will agree upon the time of making the attempt. I am of opinion the Confederation Plan, (which you doubtless think it high time I should produce) if left to itself, would effect every thing in this way that can be desired.

Its benefits would be yet more extensively felt and acknowledged, if, after such experiments as shall have assured its practicability, which I am convinced would follow, from the application of the principle with a few modifications, adapting it

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to the circumstances of the country—if, then, the arrears, stoppages, and off-reckonings of the army and navy were also to be paid up in this manner.

The popularity of such a measure would equal its beneficial consequences. No class of service more deserves or needs relief than that of men who are engaged in the honourable defence of their country. Nothing would tend so much to diffuse a general relish for and encouragement of this plan, or more promote the circulation of its notes.

I will now briefly detail the proposition on which I depend for effecting this wonderful alteration in our affairs.

**PROPOSAL OF A SUBSTITUTE FOR FUNDING IN TIME OF WAR.**

**FIRST,** That, from and after a day to be fixed by Parliament, there be issued one only description of Government paper, which shall be called Bills or Notes of Confederation, or any term significant of the temporary purpose for which they are uttered and accepted, and bear 5 per cent. interest:—  
this

this premium payable half-yearly at the Bank of England.

**SECOND,** That a register be formed of all the bills thus issued according to priority of their creation, bearing date and number in fequence, and distinguished by some mark, to point out the public service for which they shall have been paid away.

**THIRD,** From the day abovementioned, all issues of cash and bank notes from the departments of government shall cease and be suspended, until a period after the conclusion of peace, to be determined by the discretion of Parliament. This regulation to be taken with the following exceptions:—

Payment of the army and navy down to and inclusive of subaltern officers and surgeons' mates, of labourers and artificers in the arsenals, dock-yards, and public works.

Payment

Payment of salaries and pensions under 60l. per annum.

officers serving out of the kingdom.

secret service.

bills of exchange drawn and accepted.

existing contracts with parties refusing accommodation.

All other services and outgoings during the present war, and for a limited term afterwards, shall be supplied by the issue of certificates from each principal branch of public expenditure, addressed to Commissioners to be hereafter appointed for the purposes of this regulation; which certificates shall entitle the bearer to notes or bills of Confederation for the amount, in such sums as he shall require, not exceeding £1000 each, nor less than £50, which shall be payable in rotation, and according

SIXTH, That

according to priority of date and number respectively.

FOURTH, That from and after \_\_\_\_\_ months from the date hereof, the monthly surplus accruing by this temporary suspension of the money-payments under the heads above mentioned, out of the annual supplies already and hereafter voted by Parliament, shall be appropriated to the monthly discharge of Confederation Bills or Notes, in manner above recited, and that the first payment thereof shall commence at the Bank on the \_\_\_\_\_

next, of which previous notice shall be given in the London Gazette.

FIFTH, That, until the full and complete payment or liquidation of all such Notes or Confederation Bills, in rotation, Government stands pledged to issue no other kind of written obligation or debenture whatever; and will not increase or diminish the legal interest of the country, nor alter the rate of premium on Confederation Bills now established; negotiate any new loan, or add to the funded debt of Great-Britain.

SIXTH, That

SIXTH, That statements of the total amount in circulation of the sums issued and paid off, during the month preceding; together with an estimate of the probable amount applicable to discharge these bills, and of those to be issued in the course of the current month, shall be published as soon after as accounts of each can be made out.

SEVENTH, That it shall be lawful for his Majesty, with the consent of three fourths of the Members of his Privy Council, and the concurrence of the majority of the great law officers of the crown, not being Privy Counsellors (to be named in the bill) and of the Lord Mayor of London, and of the Governor and Deputy Governor of the Bank of England, at any time of invasion, or apprehended invasion of

these kingdoms, and during the recess of Parliament, to extend the exceptions above-mentioned to the payment of all dividends on the public funds above the amount of £.50 half yearly; and also to oblige the Bank, the East India Company, and all other corporate bodies in Great-Britain, to pay in, to the uses of Government, all dividends of profits due,

due, or intended to be made to their respective Proprietors, who shall, in that event, be entitled from the Commissioners to receive Confederation Bills for the same, and shall become entitled to payment thereof in manner abovementioned.

EIGHTH, That the amount of all such Confederation Bills as aforesaid, together with the running interest thereon, which shall remain undischarged— months after the date of the ratification of peace with the Republic of France and her allies, shall be intitled to subscription into the Consolidated Fund of the public debt, bearing interest at the rate of three per centum per annum, after the medium price of that stock on the day of such ratification.

If the voice of public opinion, to which I now appeal, shall once decide in favour, and warrant you to make an experiment of this plan, I will venture to assert, that the energies of the empire would be called into action, and all pecuniary embarrassments of Government would vanish: the national spirit,

spirit, buoyed up by the strength of its credit and resources, would revive; as was the case in the instance which has already taken so much of detail to explain. Our burdens would become feathers, weighed against British coin; commerce and manufacture refuscitate, and bid defiance to rivalry or attack—the surplus earnings of every man's labour become instantly productive; the links of society be maintained entire, and the connection of the chain with the anchor of public prosperity be rivetted for ever.

Slow in commencing its first motion, like an overshot-wheel just receiving its momentum from the aqueduct, and accelerating its velocity with every acquisition of the propelling force: at length, and by degrees, the ponderous lever completes a revolution of its circle, and all the subordinate machinery comes into play: And, as this state-engine will possess the same faculties of the familiar domestic mechanism I have here chosen for metaphor and illustration of my system, namely, that of discharging itself at one point, while it

receives at another; of relaxing or quickening its motion, in mathematical proportion to the volume rolling over; and, more especially, of stopping of itself as often as the stream shall be exhausted or turned aside, a proper controul may always be maintained. This last I consider to constitute the great excellence and security which it exclusively possesses.

You reject my comparison, and demand further explanation; I must then reluctantly speak out.

The Treasury system is an underhot wheel, moved only by a torrent, and swamped by inundations; the floods of last February had well nigh carried all before them.

Permit me, Sir, to recommend it to you to apply your power above instead of below: employ the rill, and leave the river to flow in its natural channel,—remove the dam, and set navigation free.

But

But how is the regulation preserved? This point is of little more difficult elucidation.

The quantity of this paper circulating at any given time, will depend on the exigencies of the state requiring a more or less sum of the annual supplies in money, and on the number of exceptions adopted in future payments, ever varying according to circumstances, and proposed to be governed by Parliament.

The larger the mass, to a certain point, the greater velocity of circulation. In war, more considerable—on the return of peace diminishing in the degree of abridged expenditure; and if the supplies are continued long enough at their present extent, ceasing entirely after a certain period.

My power therefore is operative of its own dissolution. But, as the people will naturally expect some relief from their burdens at the return of tranquillity, in so far as they are exonerated, the total liquidation becomes more remote.

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And if not effected within the period to be established by the plan, I have proposed to fund the amount remaining.

This application of a new power to an old system, is obtainable at no greater expence, compared with their respective objects, than the miller has incurred, by gently leading that stream round the hill above him to the roof of his building, which for an age past had struggled unheeded down the slope, and stagnated at its foot in a swamp or quagmire: by employing the water, which till then had laid the common under peat and rushes, in grinding food and making clothes for the hind and the husbandman; and watering reclaimed pastures (when thrown off the wheel) for their flocks and their cattle.

If, as I trust will be the case, the plan shall be adopted in its fullest extent, by including all dividends in the exception under the third article, and even the allowed perquisites of the public offices above a certain amount; money-payments

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under it may commence almost as soon as the offices and detail can be arranged, and, when once begun, they would continue with a velocity and punctuality incredible, if an example had not been produced in the practical instance I have quoted.

That is to say, provided no convulsion happen in the kingdom—that no corrupt influence be suffered to invade the sacred pledge held out to the world; no partial payment or misappropriation of the money. One false step of this nature, and all is over. This immense machine will submit to regulation and may be governed, like a steam-engine or a cotton-mill, by a dial or a barometer, but if abruptly checked in its progress or foiled in its mechanism, the whole goes to pieces in a moment. The crash would be fatal.

There is, however, one thing which may give us some idea of the firmness and confidence enough in the country to stand this trial, to trust a minister for a limited time only, with such extraordinary powers.

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The country, I have said, is with you: even opposition are content to leave you the arduous task of extricating us from our troubles. Display then your transcendent faculties, in explaining to the people the step now necessary for them to sanction. Pledge your sovereign, pledge parliament and administration, *bona fide*, and with heart and hand, to work out our salvation, and may Providence guide you to success.

Have you the magnanimity to bring forward a great, and perhaps you may think hazardous experiment, on the strength of the example before you, and to propose it as the remedy for an inveterate and a desperate disorder?

I will not doubt it. You have challenged your fellow subjects to produce a better plan than your own. Many stronger measures than this have been resorted to in the course of your administration; the Bank of England has suspended its payments at your suggestion. You have called on us for a tenth part of our expenditure, with

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the avowed motive of ascertaining the amount of our property, as an object of future taxation.

You have more than once risked your personal safety, consistency, and popularity, in broaching maxims questionable (for they have been questioned) if not unconstitutional; and, if I am not greatly mistaken, are now hazarding your financial reputation, on a measure which your own judgment must whisper is inefficient and impracticable.

If you have the patience and condescension to contemplate this proposal of mine with calmness and impartiality, it is possible, I flatter myself, that you may discover I have not been led away by a seducing phantom into the wild reveries of cobweb speculation, or the sublime experiments of the alchemist. If by the application of one plain, tried, and honest principle, the bearings of which, if you once conceive, you can, best of all men, find language to elucidate, all the burthens of the kingdom can

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be alleviated, every heart lightened of its sorrows, and all the blemishes of our government polished gradually from the steel they have corroded. I feel you have intrepidity to undertake the task at all personal hazard. Not that, like the Roman patriot, you will rush into a bottomless gulph at the instance of an oracle, and trust to the prediction of a Sybil for the salvation of your country. I am no Sybil; nor are you a Curtius. I invite you to examine whether the miracle I promise is within the accomplishment of human wisdom; and if it be, the desperate state into which your country has been plunged—understand me not to say by your measures, but by the events which have convulsed the civilized world during your administration—if it be within human compass, you will deem it a duty and a glory to devote yourself to its preservation.

But, after all, are we really in such imminent danger, as to require a remedy so novel and extraordinary? I have never asked myself that question. I have been contented with taking the state of

affairs

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affairs from your own representations, and must beg reference to the last speech from the throne, and to your declarations in bringing forward the triple assessment. On these grounds alone, you have, I presume, been forced to recommend even bolder expedients already to the extent here stated. My remedy, though comparatively a mild one, would be more comprehensively efficient; and I have the fullest conviction on my own mind, that we shall never be secure until something upon this principle is adopted and adhered to for a continuance.

You predicted the extinction of the funds by the operation of your excellent plan of redemption, and were borne out in your theory by the infallible result of arithmetical calculation. This prediction would have been accomplished, if no interruptions had taken place. I have not time or abilities to trace how greatly your plan might be accelerated by the co-operation of the system I now propose; but of this I am fully convinced, that the junction would be effective of benefits incalculable; and that no event, less decisive and

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short of the success of our enemies' Thrafonical menace to lay the capital in ruins, can prevent such result. As surely as all causes must have their effects, so certain are the benefits which this system, persevered in, must produce.

I consider this an expedient to which you must ultimately resort; and that government, on its present plan, cannot much longer by any other possible means keep up its expenditure; not even by seducing the Bank to further concessions at the hazard of its credit, and of suffocating circulation by an inordinate issue of its barren paper. I know, and daily experience, the indispensable and important uses to which bank notes are applied, and that no other medium can at all answer as a substitute. But there is a point, which the Directors well know, and have ever carefully guarded against, and which, though I know it exists, I can merely guess at, beyond which this paper can never circulate, and ought never to be uttered. How nearly we approach that object I shall not venture to surmise; but, taking for granted that the next

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and only measure practicable, will be some kind of paper procrastination, I submit to your discernment, whether this be not the moment to introduce it;—while the impression of necessity is acting strongly on the public mind; and the day of calamity, though distinctly in prospect, is yet happily at some distance.

After all, why am I expatiating so long on a subject, when the arguments I urge in its favour, in all probability, may never meet your eyes; unless, per chance, the singularity of my reasoning, the novelty of my matter, or the necessity of grasping at some expedient to support the machine of government, or, as your opponents will assert, to retain your power, induce a favourable report of this performance from those you employ to peruse it. Be it so. I obey an impulse, which conceit, if you please, but which I mistake for public spirit, thus stimulates me to indulge. My own has once already been supported by public opinion, and that support possibly induced the Bengal Administration to venture on the innovation it suggested.

You

You have here the true reason why I publish these propositions.

In a government so constituted as ours, and supported by a dextrous management of the leading interests it protects, every Minister must, and I know will, pay attention to their respective claims.

Without such pliability, business will never be carried on; without a due regard to weigh their often clashing, and frequently absurd, pretensions, Administration could never maintain itself in power.

I am therefore canvassing the public suffrage, in order to give weight to my claim on your protection of my orphan; nor do I expect you will be displeased that it is not thrown defenceless on your charity.

The language I have here used may seem dictated by the enthusiasm of a sanguine speculator, had not similar effects been felt from a similar

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project;

project;—in a distant province, in a part of the world where the use of a paper medium was hardly before known or heard of; in a conquered country, unaccustomed to credit and mercantile circulation; amongst the natives of India, who saw us, their latest conquerors, distressed for resources, and driven to call on them for relief; not only did they trust British honour on this pledge for the current disbursements of government, but the natives gave the Company credit upon this paper for a million per annum of India merchandize! No other of its conquerors, Persian, Tartar, or European, ever could boast of such confidence; no nation in Europe besides can ever expect the same unbounded credit, or safely act upon this model.

Witness a recent example, in our enemy's attempt to establish the currency of assignats at par. Its assembly in vain pledged the Republican faith, and hypothecated the sequestered revenues of ex-nobles and clergy. Their plan had no solid basis, no register or fixed principle of payment in rotation.

rotation. Fresh exigencies exacted fresh confiscation. No attention was paid to the solemn promise of the Convention; no interest was ever given on the loan; no assignat was ever paid in specie; no value could therefore be fixed; it became waste paper; the consequences we and posterity will have long to deplore.

If such an exulting contrast has attended the adoption of this plan in British Asia, how many greater advantages may it not be expected to produce in England? The resource is calculated to circulate within the kingdom, for the general benefit of the kingdom;—will any rank in the community refuse to cherish so cheap a mode of defending its comforts, “the existence of the Constitution, and of civil society itself?” What more distressful do you experience at this moment?—what greater discouragement do you labour under, than that conquered by the experiment I have described, and by the intrepidity of a Governor General.

Previous to its adoption, however, government will naturally examine into the probable tendency of this measure with respect to the bank and mercantile circulation in general. I must therefore quit the strong ground of precedent and example, and launch into the pathless region of hypothesis and conjecture.

**BANK.**

That the Bank would be able to resume cash payments, on the adoption of this plan, may be thus evinced. Having thenceforward no calls for anticipations in aid of Government, except the usual advances upon land and malt, and perhaps occasionally on the current receipt of taxes and customs, unapplied to this purpose, there can be

as little doubt of its ability as of its inclination to redeem its, once only, violated punctuality.

The discounts of Mercantile Securities, Notes, and Bills of Exchange, are already adequate to the practice which prevailed before February 1793, and are as liberal as at any antecedent period whatever.

As the Directors may purchase the new paper at market as well as individuals, the Bank will always

always be able to employ both its capital and deposits with greater certainty than ever, and probably to more advantage. In general, until pressed by administration, to supply the urgent and extraordinary demands of Government, occasioned by the present war, it has constantly possessed a greater sum than could, with propriety, be employed in discounting private paper; and the surplus has

been laid out in that of Government, Exchequer, Navy, and Victualing Bills, and in East India Bonds. After being gradually relieved from these dead loans to the public treasury, its own will again overflow, and the new paper be referred to as a beneficial investment; and thus the discount be kept under, to the advantage of individuals.

Undoubtedly the remembrance of the late misfortune brought on the Bank by its too liberal concessions to Government, will be sooner effaced by this plan than otherwise; and thereby the extension of its operations be more securely prosecuted: and this is one among many advantages which that corporation will derive from the measure. Perhaps

Perhaps the Bank may be drawn the closer under each head of revenue, from the rule to exhibit public statements of these receipts; but this will be more than counterbalanced, by the independent use of the great portion of its capital, thus liberated from dead loans to Government, and left to be employed and recalled at pleasure.

With these increased faculties of action, the Bank may frequently afford the Public essential assistance, by taking an extraordinary sum of this paper, when it may be found to lie heavy on the market; and thus preventing its depreciation, without appearing to be influenced in the transaction by too close a connection with Government.

But it appears evident to me that, were no other effects produced by these regulations, than the relief and restoration of general confidence in  
**FUNDED DEBT; BANK, SOUTH-SEA, AND EAST-INDIA STOCK.**

I need no other proof that such regulations will be highly beneficial to these public securities, than a reference to the Stock-Exchange at this moment.

The funds have risen something, when all prospect of

of peace has vanished, upon a mere insinuation that possibly no loan may be wanted this year: they bear now, and fortunately, have in general borne a higher price than floating securities, or the current interest of money.

What, then, may be expected to be their price, when it shall be felt, not merely suggested, that no farther loan will be required till our enemies consent to reasonable conditions? When the interest paid by Government, is lowered, as it will be by these regulations? and with what advantage shall we not fund after the war, if ultimately obliged to do so? They are now  $48\frac{1}{2}$ ; you have estimated them at 75, as a bonus to the loyalty subscribers.

But it appears evident to me that, were no other effects produced by these regulations, than the relief and restoration of general confidence in our resources, such considerations alone will operate greatly in supporting the value of funded property, and therefore obtain the suffrage of all who hold public stock. I feel, indeed, that the

mere countenance of public opinion in favour of my plan would have a sensible effect; but it will be a sufficient merit, if that plan should happily effect what it promises, a postponement of further encumbering these unwieldy masses until peace takes place.

But another peculiar and important benefit would be gained by adopting Confederation-bills, in lieu of the various kinds of Government-paper now circulating: it would establish one uniform price for these securities, and a regular progressive course of payment; the public would know what was extant, and be able to speculate rationally on the rotation.

This paper would prove a proper, constitutional substitute for the surplus Bank-Paper advanced as a dead loan to Government, and put the interest paid thereon into the pockets of the community at large.

Such

Such notes, equally with bills of exchange, and the bank notes issued for discount of mercantile paper, will be a bona fide representative of property. Whereas, the bank note issued to Government as a mere loan, where no specific pledge is lodged as collateral security, is no representative of tangible responsibility. The property represented by a Confederation Bill is a proportion of the ensuing year's or month's supplies, granted by votes of Parliament, and which by the regulation forming the principle of my plan, must be paid in turn. Whether in three, six, or twelve months, will depend on the services to which Parliament shall grant a preference, after which must follow the Confederation Bills, in rotation, at the minister's peril to deviate from the law.

Whereas, an inordinate issue of bank notes for the same purpose, could not circulate, and would be an unconstitutional credit given by the Directors to Ministry, on the presumption that Parliament would afterwards sanction the measure. In this case the Bank would receive the whole of the

K interest

interest instead of the public at large, but without any certain assurance that the principal would be discharged, and this circulation move on the credit of the Bank-notes, which are precluded payment in cash till after conclusion of the war.\*

But, with respect to whatever amount the Bank shall purchase of Confederation Bills, and pay for in Bank Notes, this objection will not apply.—

The cases widely differ—for, in this transaction, the Directors, equally with individuals, will hold a valid security, nearly similar to that of the Merchants' acceptance, for these notes will

have an assigned parliamentary security and rule of progressive liquidation. Whenever Confederation Bills fall in course of payment, an equal amount of Bank paper will meet them in the hall, and both be cancelled together. This therefore will

be

\* The wisdom of Parliament has interfered to limit the extent of such destructive concessions; and this check it is, I presume, which has thrown you upon the triple assessment, and will ultimately force you upon some strong measure of taxation, unless a speedy remedy be applied.

be a natural operation of commerce, equally with the mercantile discounts, ever regulating itself by the circumstances of the case.

Holders of stock will be best reconciled to this plan, when they find it give the funds a new value :

and such countenance alone, I have said, will produce a sensible impression in their favour.

In the second article, I have proposed to distinguish the Confederation Bills by some mark or number, denotive of the service for which they shall be issued.

The bills for ordinary purposes, may be made payable to bearer only, and distinguished by the letters

\* V. T. N. O. &c. according to the department from whence the certificate came. On those uttered for dividends, I would recommend, either by endorsement,

or in the body of each bill, to state specifically, for part, or the whole, of whose share in the capital stock it was created. By this means, the

holder

\* Victualling, Transport, Navy, Ordnance, &c.



holder of that stock, in the event of a loss of the national books, may be able to trace out his demand on the public; and, in order to substantiate his claim, will have merely to prove, that he never afterwards transferred it. It may be objected, that it will be difficult to prove a negative; but where a false affirmative will at all times be liable to detection and punishment, as well as infamy, few of the most abandoned would incur the hazard;— and measures may be taken, after a convulsion has subsided, to give a full opportunity to verify the facts. Indeed it would follow of course, that a new set of books would be opened, the entries of which would instantly detect fraud and imposture.

I need not add, that even in the extreme case of a military contribution to the state, or of a successful invasion, such a voucher would, and must be accepted, when possibly Bank paper itself might be no longer considered as entitled to that privilege.

**BANKERS.**

It must be allowed, that this measure will affect some of the private Bankers, both in town and country,

country, in no small degree. Few customers will keep heavy dormant balances in Lombard-street, at Temple-Bar, or Charing-Cross, when they can employ the money in productive paper, convertible to all the occasions of life. It may possibly, though I hardly conceive it probable, extend to check their operations during the remainder of the war.

This undoubtedly will be considered by some people as an objection to the plan, while others will deem it a recommendation. But, what great innovation for the public good was ever unaccompanied with partial inconvenience? Those among them who have thrown a capital into their business, may participate in the advantage of employing it in discounts, in common with the Bank and rich individuals, and will have occasion for a smaller amount of their customers' deposits in Bank Notes, which bear no interest, because this paper will be money at an hour's notice; and all will share in that additional security which property will derive, from the restoration of order in finance, the preventing farther ruinous accumulation of the funded debt, and from

from the great resource it offers, of resisting a formidable and enraged enemy.

If, instead of entailing on us the triple assessment in perpetuity, this measure should have the same salutary effects here, which a similar one produced in Bengal, will not every man, in proportion to the property and comfort he shall enjoy hereafter, have reason to bless the hand which saved him from ruin? Unless the country is relieved, trade, the support of all Banking, becomes every day more languid and dangerous; of consequence, the Bankers' risque proportionably increases, and will assuredly soon compel him to relinquish his occupation. On the success, then, of this, or some other attempt of the kind, depends all the prospect of this class, who therefore can hardly be considered entitled to complain of the price they pay for such protection.

DEALERS AND BROKERS IN THE PUBLIC FUNDS:  
This numerous and wealthy body also merit attention.

So

So long as the funded debt exists on its present scale—and it cannot be greatly diminished during the operation of my plan—their sphere of action will at least remain as extensive as before, and perhaps business be enlivened by this new system of finance. But, granting that to be problematical, still the paper market will be equally open to them as to others, and the walk from the Stock Exchange to the other end of Threadneedle-street, from the Bank to the South-Sea House—the place I would allot to my commissioners—is nothing more than they are accustomed to at present.

Perhaps these gentlemen may have influence enough to keep both markets at the corner of the Royal Exchange, or else, as their own closets early, they must be content to hold the other afterwards under the piazzas of the South-Sea House.

A market there certainly will be, and that more active and incessant, proportioned to the magnitude

magnitude of the two floating funds. Though this may not increase much beyond thirty millions, or one year's revenue, yet a single certificate will frequently change masters twenty times before its turn of discharge, and most of the transfers pass like bills of exchange and the existing paper of government, through the mediation of brokers. This class of men of business will therefore have little reason for alarm and opposition.

COMMERCE.

The Commercial interest will receive no injury, but, on the contrary, derive essential benefit from this measure: it will, as already stated, reap much additional assistance from the restoration of Public confidence, and the increased faculty bestowed by it on the Bank, of discounting solid bills of exchange and notes, for the accommodation of trade. These private securities, bearing short dates, and taken at the same rate of interest with the paper of Government, must always form the most considerable part of the Bank investments, and therefore merchants need not be alarmed, lest the occasional temptation

temptation of a large discount on Confederation Bills should induce the Bank Directors to curtail the Royal Exchange, in order to benefit their Proprietors with a momentary advantage, at the expence of a pernicious, permanent consequence. The Bank will be the more liberal to individuals; the more they perceive the public steady in its support of Government; without which neither trade nor agriculture can be secure.

The Directors will consider, that, if Government pays interest on the Confederation Bills, it protracts the discharge of principal to an indefinite though not distant period; and though it proffers compensation by funding hereafter, that prospect is remote and precarious; while both principal, and the compound interest on private paper, revert to their owners six times in the twelvemonth, and may as often be arrested on any emergency; for which reason, private paper will, as it ought, always obtain the preference.

Commerce at large will also reap the advantage of obtaining money at its value, instead of being tied down by the statute, so justly complained of

by Sir Francis Baring, and so ably exposed by Mr. Bentham. The merchant will be enabled to negotiate more on a par with Government, by having these bills to sell at the market price. He will be in part indemnified by the growing interest for the casual discount, and have constant command of the amount at the market price, when his occasions require a sale of them.

Thus, on the mercantile world at large, its operation will be extensively felt and fully understood. Whatever has an influence in supporting credit in general, is felt by trade at every point. The Bank, we have shewn, will hereby be enabled to resume its cash payments, and extend its discounts, merchandise will thereby find a readier and a better market, manufactures a more extensive sale.

Those traders who have connections with government, and consequently all connected with them, will be able to make quicker returns, an object of equal consequence to them, as prompt payment

payment to government. Prompt payment will secure Government the best commodity at the cheapest rate. Confederation bills would be always ready money to the Contractor, less the discount of the day, which may be either allowed specifically, or estimated in making the bargain. Apply this to the holders of navy and victualling contracts prior to the regulation of last session, which has made them bills of exchange, and those who well understand it will inform you, how great a difference it would operate in favour of the public, if this mode of dealing universally prevailed, and a fair competition were established.

In the ordinary occurrences of life, the consequences would be beneficial according to the degree of their importance; their effects have been already discussed in the former sheets of this performance—facts as well as theory are adduced in its behalf.

OFFICERS.  
But, would you impose any burthen on the brave officers who have devoted their fortunes, their blood, and their lives, to the service of their country?

country? who have even purchased the glorious privilege of making these sacrifices? whose slender appointments, from the change which has taken place in the value of money, are already inadequate, without aid from private fortune, to support the character of a gentleman with common decency? Is it on these brave defenders, and in the hour of service, that you would call for pecuniary contributions? No, God forbid! I trust the day is yet fast approaching, when ample justice can be dispensed to them with justice to the public creditors, and all other branches of the community. My plan holds out relief—not oppressive taxation: its principle goes to alleviate every species of individual and internal distress, by this Confederation supply.

I have proposed that all arrears shall be immediately liquidated, including stoppages of the army and navy as long as war continues.

The case of these gentlemen at present is unfortunately too similar to that of the dependents on the court, and the inferior officers employed under Government

Government—the relief of both would be effectual.\*

But I should be ungrateful to my own feelings, were I to insinuate that these gallant men, were the necessity proved, would not be the first to volunteer a contribution—the foremost at the treasury, as in the field, to surrender their comforts, as well as their lives, for the good of their country. I trust in Heaven, the day will never come when this may be the only expedient to prevent disorder and confusion; and yet, in the hour of formidable invasion of the country, what other possible resource can we fly to? what better expedient than this could be devised, for preserving an active and equitable medium between the commissaries and the farmers, for payment of provision and forage, and preventing oppressions and frauds upon the public? Bank-paper, as I have already said, might be maliciously or accidentally discredited; gold and silver plate, and other portable property, at such a moment would disappear; common receipts for stores would remain useless to the receivers of them, until things were restored to tranquillity—but

\* Vide page 34.

but this Paper would retain its currency, as well from the absolute necessity of some medium, as from the obvious benefit which such a medium would convey.

I need not put these extreme cases to the officers of the army and navy, nor adduce the instance of other branches of the same service; the India forces and marine, where these sacrifices have been volunteered—it would be an affront to British courage spurns at all precedent; but no such sacrifice is required.

**PAYMASTERS, NAVY AND ARMY AGENTS, RECEIVERS AND TREASURERS.**

There is indeed a class of gentlemen who certainly will not complain aloud, some of whom, nevertheless, will feel their advantages considerably abridged by these regulations—public agents, and treasurers of the principal offices of disbursement. To them it will only be necessary to say, that their deposits were made for public convenience, and are public property, reclaimable on demand, and that the exigencies of the state required restoration. But, if the exacting it in some instances may be inconvenient, to others the regulation will afford a reimbursement

ment of heavy accumulating advances, till now of precarious liquidation, but which, under the operation of this plan, will be discharged whenever substantiated. In the one instance, then, the plan barely imposes an hardship; in the other, it is clearly an act of justice, to which they are entitled at present, though without hope of attainment, while the liquidation would be more than usually convenient and beneficial.

**EAST-INDIA TRADE.**

The only point at which this trade can be suspected of receiving injury by the measure proposed, is, possibly, narrowing the currency of the company's bonds in the money market; for they will serve, as heretofore, for deposits with the bank on occasional loans, and must always preserve a circulation among the buyers at their sales. But while these channels are left open, all the real purposes are answered which the legislature proposed in granting this resource to the corporation.

By the last arrangement for renewal of their charter, the amount of the Company's bonds was considerably

siderably curtailed; and if this plan should be found to abridge the means of capriciously extending their investments, when good policy required they should be confined to the mere surplus of the territorial revenue—they will be benefited, not injured, by the restriction:—should it even compel the adoption of a rigid and rational system for conducting their own concerns, which may tend in its consequences to effect that liberal encouragement to the trade of individuals, unfettered by restrictions, and left to pursue their own objects in their own way, which has been so clearly demonstrated to be perfectly consistent with the true interests of the corporation, of the British and Indian manufacturer, and of the kingdom at large.

The most important question remains yet for examination. Will the gradual possession of this sum, of ten, or of thirty millions, added to thirty more of annual taxes, enable you to continue the war, without a fresh loan taken at the disadvantage of cent. per cent. ? That question you alone must resolve. I have given reasons why the public should

should hope it would; but on this point depends much of the efficacy of my proposal.

I have furnished, that a partial circulation of six months would give you ten millions, and a general one thirty, or whatever shall be the amount of a year's issue of Confederation paper. You have hitherto required a loan of twelve millions only. If this last sum, then, be supplied according to my proposition, the exigency is answered, and I have performed my task. But if more is necessary, it offers farther contribution.—The merely postponing the first period of discharging the bills from six to twelve months, or diminishing the amount of their subsequent, progressive liquidation, will proportionably augment the supply.

Not that I conceive this may be extended to any amount. In Bengal the machine has been so overloaded, as to be scarcely moveable. It bore the addition of the bond debt, and of the arrears of cent. per cent. That question you alone must resolve. I have given reasons why the public should

of other presidencies, considering the weight, with a slight strain indeed: but the late inconsiderate engagements for investments, and the heavy charge of our expeditions against the French, Dutch, and, it is rumoured, the Spanish settlements, have thrown all again into confusion.

This proves no argument against the principle: it merely shews how a good principle may be perverted or abused. It seems, however, to demand explanation from those who administer the Company's affairs at this juncture.\*

I have been now examined in every branch of business which comes before me. The late dissipation of our forces and our revenues, in extending the British power in Asia, which before possessed more than we can expect to retain, has created a fresh drain of specie, and a new load of debt, which have utterly stagnated circulation. The Company is now severely feeling the consequence of altering the rate of interest on their certificates:—men were disgusted at the reduction of premium, before the principal could be paid off: and finding Government afterwards obliged to increase it again to eight per cent. they insisted first on ten, then twelve, and, at last, will not lend the public at any rate whatever.

I have now traced the probable influence, according to my own judgment, of those arrangements which I venture to propose in the administration of public affairs; and what, according to my view of the subject, would be their effects on the transactions of the community with each other.

The obligation on Government, to liquidate all its engagements, and to pay every creditor **IN TURN**, with religious impartiality, are the two points of distinction which are to intitle this plan to the attention it demands. Their efficacy has been now examined in every branch of social intercourse: it only remains for Government to decide whether these assumed benefits are made out, so as to promise adequate relief to our finance, and warrant the experiment of so great an innovation.

Having gone through all the different bearings of this measure, on the great interests of the state, collectively and individually; it remains for me to make good the assertion, that my proposal, if adopted, will prove an effective "SUBSTITUTE



FOR FUNDING IN TIME OF WAR, at least during the continuance of the present harrowing and sanguinary contest.

In order to demonstrate this point, I have only to assume a case, and proceed to an hypothetical operation of the system.

I begin, with taking twelve millions as the aid required in the present year; and am therefore to find twelve millions, or they must be raised by loan. Thus I produce them:—

I assume thirty millions as the receipt of revenue for the next year, and suppose that sum collected by monthly instalments.

I will estimate the exceptions made in the third head of the plan, at two fifths of the monthly revenue, or one million per mensem.

I then obtain one million and half per month towards the twelve millions required; and therefore,

fore, in eight months, shall have furnished my twelve millions of Money-Loan, on an equal amount of Confederation-Bills, bearing five per cent. interest.

But, as a part of this Loan will itself have been issued in Paper, for I suppose it partly due for arrears of pay and service, I should assume six months as the period at which to commence discharging the first numbers; were it not a part of my plan to bring all outstanding claims whatever under liquidation: I therefore am content to take eight months as the probable extent of credit given on this floating security.

This sum of twelve millions will thenceforward be the total amount of Confederation paper, provided the ways and means, with this aid, shall square with each other. But every vibration will effect this standard. If additional expences are incurred by the war, a smaller sum will be applicable to decrease the mass at one end, while, at the other, it will be felt as an augmentation, and vice versa.

These

These variations will be subject to the triple controul of Government, the Legislature, and the Public: and the discount at all times afford the administration an infallible Dial to point the public sentiment on all great measures; while the publicity of its finance will secure universal confidence, and maintain order and attachment between the rulers and the subject. The people, knowing the extent of their burthens, will cheerfully submit to bear them; and government, by the strength which such union would create, be the sooner enabled to lighten those burthens, by effecting a just and honourable peace.

In proportion to the public confidence and approbation of the measures pursued, a greater or less amount of this paper would find general currency. I have shewn elsewhere, how any occasional pressure might be taken off this paper; but, when a general reluctance to receive it, and consequent depreciation ensued, this would prove one of two points—either that circulation was overloaded, or, that a change of measures would be acceptable and expedient

pedient. At the present crisis who will not gladly cling to Confederation Bills, as to an opportune and salutary resource?

My mind is now exonerated from an anxious burthen of duty to the public. In this rapid effusion of zeal and good-will, written with the compositor at my elbow, if any indecorous expressions have escaped from my pen, or too frequent allusions to the occurrences of your administration; suffer, Sir, the importance of the subject to apologize for the stile, and condescend to bestow some little complacency and attention, on the efforts of those who stand forth with assistance in the hour of public calamity.

The mill of finance is of very old construction: its machinery is already provided—too complicated, perhaps, to be long kept in order, and something the worse for wear; and yet too expensive to be altogether thrown aside. But, neither you nor I are responsible for those imperfections. It has been my object to supply a new power for working. May it be your good fortune, hereafter, to bring about a thorough

thorough repair, apply new springs, take out superfluous wheels, and correct the inordinate friction.

The principles of mechanics are few, and they perfectly ascertained; yet we every day witness some new discovery in their application. Why not in one branch of science as well as in another?

Half the comforts society now enjoys have been created by such improvements.

Though to become a Boulton requires regular apprenticeship, an Arkwright suggested a new movement on the old principles, which has astonished and enriched his country.

On the chance of becoming an Arkwright in finance, I am risking to be thought a visionary; but on ever so slender a probability of serving the public, I am content to incur this hazard: and if I should have the good fortune to see the idea pursued in Britain, which has once already pre-

served the brightest jewel in her crown, I shall have attained the highest of human gratifications. My presumption will readily be pardoned; and I shall exclaim with the painter-boy and the philosopher, "*Ed Io anche son pittore.*"—I too have been instrumental to the preservation of my country.

LONDON, 15th Dec. 1797.

FINIS.

P O S T S C R I P T

The following statements are produced, not only for the purpose of shewing the forms adopted in conducting the Certificate Plan in the East Indies, but as an evidence of the extent to which it has succeeded. The landed interest of this kingdom will not be displeased to find in them, that it was able to carry a sum equal to all the nett Land Rents of our territorial possessions, which was in circulation at the beginning of this year.\*

These statements apply particularly to pages 20, 27, 29, and 81 of this Pamphlet.

\* Bengal, 31st Jan. 1797—Exch. 2s. 4d. .... £.4,307,726 18  
 Bombay, 31st May, ..... 2s. 4d. .... 456,703 8  
 Madras, about 6 Lacs of Pag. 8s. }  
 Besides the Bonded Debt ..... } ..... 240,000 0

Sterling, £.5,004,430 6

These sums were encreasing at the date of the last accounts.

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These sums were encreasing at the date of the last accounts.

APPENDIX A.

CALCUTTA GAZETTE EXTRAORDINARY.

SATURDAY, FEBRUARY 10, 1787.

NOTICE IS HEREBY GIVEN,

THAT all the paper issued on and before the 30th April, 1786, including No. 5497, of the General Register, will be discharged on application at the General Bank, on or after Thursday the 15th instant. The interest on this paper will cease on the 14th February, 1787.

By Command of the Right Honorable,

The Governor General in Council,  
W. BRUERE, SEC.

FORT WILLIAM, FEB. 9, 1787.

APPENDIX B.

ACCOUNT CURRENT OF CERTIFICATES, and other DEMANDS (Bonds excepted) upon the BENGAL GOVERNMENT, due to INDIVIDUALS in CIRCULATION on the 1st JANUARY, 1797.

To DISCHARGE OF PAPER.									
Amount ordered to be paid off on the 1st Dec. 1788.	3,50,777	5	0						
8th,	1,23,431	12	1						
15th,	4,87,334	3	3						
22d,	4,12,366	12	11						
23d,	4,41,517	15	9						
29th,	83,837	7	8						
Amount of Certificates Subscribed to the Remittance, &c.	18,99,315	8	8						
To BALANCE	15,579	3	11						
Being the amount of Paper in circulation on 31st Dec. 1788.	19,14,894	12	7						
	1,52,09,029	1	9						
BY BALANCE BROUGHT FORTH	18,51,613	7	1						
Amount of the Paper in circulation on the 30th Nov. 1788, as per Abstract of the General Register, published in the Gazette of the 4th Dec. 1788	1,52,72,310	7	3						
Abstract of the Numbers and Daily Amount of Certificates, issued in December 1788.	67,128	3	11						
1582 and 1620 1st Dec. 1788.	19,725	9	6						
1621 and 1628 2d do.	64,037	10	0						
1629 and 1664 5th do.	9,677	14	9						
1665 and 1672 6th do.	28,708	7	2						
1673 and 1686 9th do.	12,00,000	0	0						
1687 and 1688 10th do.	90,891	2	0						
1689 and 2024 12th do.	1,579	9	6						
2025 and 2026 15th do.	12,086	10	7						
2027 and 2029 18th do.	4,975	13	6						
2030 and 2033 19th do.	5,993	5	4						
2034 and 2037 20th do.	2,64,408	6	4						
2038 and 2040 22d do.	32,204	0	0						
2041 and 2060 24th do.	49,848	10	6						
2061 and 2089 26th do.	348	0	0						
2090 29th do.	18,51,613	7	1						
CURRENT RUPEES,	1,71,23,923	14	4						
CURRENT RUPEES,	1,71,23,923	14	4						

FORT WILLIAM,  
Accountant General's Office, 7th January, 1789.

ERRORS EXCEPTED, W. LARKINS, Acct. Gen.

**APPENDIX C**

*ESTIMATE of the AMOUNT, which is expected to be applicable to the DISCHARGE of PAPER, in the Course of the Month of Jan. 1789.*

DR.	To Balance remaining in the Treasury, on the 31st Dec. 1788	16,52,871	5	6	By Demands payable in Cash, due on the 31st Dec. 1788	15,82,289	14	5
	To Expected Receipts on the 1st of Feb. 1789	30,16,000	0	0	By Demands expected in Jan. 1789	4,67,816	15	0
					Interest on the Bonded Debt	13,70,000	0	0
					Orders on Account of the present Month	18,37,816	15	0

**BY DISCHARGE OF PAPER.**  
 Madras and Bombay Military Arrear Bills 17,000 0 0  
 Amount of Bills drawn by the Madras Government, for the Pay of the King's Troops 68,801 11 3  
 Amount expected to be applicable to the discharge of paper in the course of the month, and which will be sufficient to discharge the paper dated on the 30th of Nov. 1787, including No. 340 and No. 1495 of the General Register of 1787-8 11,62,962 12 10

CURRENT RUPEES 46,68,871 5 6      CURRENT RUPEES 12,48,764 8 1

FORT WILLIAM,  
*Accountant General's Office, 7th Jan. 1789.*

ERRORS EXCEPTED, W. LARKINS, *Accl. Gen.*

**APPENDIX D.**

*ACCOUNT CURRENT of the GENERAL REGISTER-DEBT of the BENGAL PRESIDENCY, for the Month of December, 1793.*

Dr.	To Amount discharged in this month, viz.	-	-	-	By Balance.	-	-	-
	Amount subscribed for Bills on the Court of Directors,	486,690	10	9	Being the Amount outstanding on the 30th November,	46,554,610	8	9
	Amount of Notes dated on the 22d December, 1792, ordered to be paid off on the following dates, viz.				Number and Amount of Notes issued in the Month of December, viz.			
	On the 2d December, 1793,	-	-	-	2 December 1793, 1937 and 1939	17,694	12	2
	9th ditto,	-	-	-	6 ditto	111,969	11	8
	16th ditto,	-	-	-	9 ditto	8,602	7	1
	25th ditto,	-	-	-	11 ditto	62,521	5	11
	30th ditto,	-	-	-	13 ditto	22,767	3	10
	To Balance.	-	-	-	14 ditto	80,998	10	4
	Being the Amount outstanding on the 30th December,	46,728,070	0	3	16 ditto	8,000	0	0
		£.4,672,807			17 ditto	812	0	0
					20 ditto	9,779	15	3
					23 ditto	52,846	0	0
					24 ditto	66,503	10	10
					27 ditto	20,000	0	0
					30 ditto	252,445	12	2
					CURRENT RUPEES, 47,269,552	2	0	

N. B.—Current Rupees, 517,785 2 9 of the above amount of Notes issued in November, consist of Transfers from Madras, Bombay, and Bencoolen; which, added to the sums transferred in the preceding months, makes the total of the Notes and Bonds cancelled at the above-mentioned settlements, and transferred to Bengal since the 1st January last, amount to Current Rupees 8,526,001 4 5.

FORT WILLIAM,  
*Accountant-General's Office, Jan. 8, 1793.*

ERRORS EXCEPTED, A CALDECOTT, *Acc. Gen.*

The Balance, on the 31st January, 1797, was Sicca Rupees, 16,923,373 13 10—or, Sterling Money of Great-Britain, £.4,307,726, 18s. besides the debts of the other Presidencies.

**APPENDIX E.**

*Account Current of Promissory Notes issued by the Honourable the Governor in Council at Bombay.*

<p><b>DR.</b> 1797 May</p>	<p>1767. Rs. Q. Rs. May 1.</p>	<p>By Balance outstanding this day, viz. General Register, 1793-4 4,76,475 3 24 Ditto Ditto 1794-5 25,66,631 1 48 Ditto Ditto 1795-6 14,68,680 1 18 Ditto Ditto 1796-7 2,59,959 2 05</p>	<p><b>CR.</b> Rs. Q. R.</p>
		<p>2,083 1 33</p> <hr/> <p>47,69,663 2 60</p>	<p>47,71,746 3 93</p>
		<p>To Certificates on the Governor-General in Council, to be exchanged for Bills on the Court of Directors. To Discharge No. 79 of 1796-7 - To Balance, being the amount of Pro- missory Notes in circulation this day, viz. General Regist. 1793-4 4,76,475 3 24 Ditto Ditto, 1794-5 25,66,631 1 48 Ditto Ditto, 1795-6 14,68,680 1 18 Ditto Ditto, 1796-7 2,57,876 0 70</p>	<p>By Balance outstanding this day, viz. General Register, 1793-4 4,76,475 3 24 Ditto Ditto 1794-5 25,66,631 1 48 Ditto Ditto 1795-6 14,68,680 1 18 Ditto Ditto 1796-7 2,59,959 2 05</p>
		<p>47,69,663 2 60</p> <hr/> <p>47,71,746 3 93</p>	<p>47,71,746 3 93</p>

BOMBAY CASTLE, 31<sup>st</sup> May, 1797.

ERRORS EXCEPTED, HENRY FAWCETT, Actt. Gm.

0316