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A N  
A P P E A L  
T O  
T H E P U B L I C,  
On the SUBJECT of the  
N A T I O N A L D E B T.

---

A N E W E D I T I O N.

W I T H

An APPENDIX, containing Explanatory  
OBSERVATIONS and TABLES; and an Account  
of the present State of Population in *Norfolk*.

Also an Additional PREFACE.

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By RICHARD PRICE, D.D. F.R.S.

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L O N D O N:

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JAMES  
OF  
THE PUBLIC  
THE DAVENANT



P R E F A C E  
TO THE  
SECOND EDITION.

IN perusing this Appeal to the Public, it will be found, that one of my chief purposes in it has been to prove the following proposition: "That to alienate a fund, appropriated to the payment of public debts, while it can be avoided, by borrowing money at simple interest on new taxes or savings, is a most pernicious measure." And it may be depended upon, that, if there is any certainty in numbers, this has been proved beyond the possibility of reasonable doubt.

Dr. DAVENANT, in the reign of King *William*, warned the kingdom of the danger which would attend breaking into appropriated funds. He was disregarded; and the public debts increased so much as to be generally thought, in the year 1716, *insupportable*. This gave occasion to the establishment, in that year, of a general saving under the name of the SINKING FUND; which repeated laws declared should be applied

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plied to the payment of the public debts, and *to no other purpose whatever*. This fund soon became the only hope of the kingdom; and, could it have been defended against alienation, it would, in a few years, have accomplished all that was expected from it. Notice was given of this, in the year 1726, by a writer of great abilities (*a*); and the public was a *second* time warned of the fatal consequences which would follow alienations. But this warning was also neglected; and, in consequence of this, our debts, instead of being annihilated, as they might have been, have increased from 17 millions, their amount in 1699, and from 52 millions, their amount in 1726, to 140 millions, their amount nearly in the present year.—There is now one farther attempt made to bring back the State to the path of rectitude and safety by a writer indeed of much less weight, but possessed of the same good intentions. He knows that he cannot expect to be regarded. The same measures will be pursued; and it is easy to foresee in what they will terminate.

“ In FRANCE the custom of borrowing  
“ on Funds, instead of levying money for  
“ the necessary supplies within the year,  
“ was begun in 1678. M. COLBERT per-  
“ ceived the tendency of it; and after re-  
“ monstrating against it in vain, he told the  
“ ministers who advised it, that they should

(*a*) See Page 30, &c. of this Treatise, and the extracts in the Appendix.

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“ answer to God for the mischief they would  
“ do to the king and the state, by introduc-  
“ ing so pernicious a practice (*a*).”——The  
managers of our affairs will have more to  
answer for. They have not only introduced  
this pernicious practice; but they have de-  
feated the effect of an establishment, which  
would have preserved us from all the dangers  
attending it.—The greatest sufferers by this  
practice will in the end be the moneyed peo-  
ple themselves; or those creditors of the  
public, who are now maintained by the con-  
tributions of the poor, and the labour of the  
industrious.—It is impossible that debts al-  
ways increasing, should not in time sink the  
kingdom. They have already done us un-  
speakable mischief. A considerable part of  
our people is lost. By extending the influence  
of the crown, they have undermined the  
foundation of our liberties. It is doubtful also,  
whether they have not turned the balance of  
trade against us, by raising the price of our  
manufactures, and carrying out of the king-  
dom about a million and a half every year, in  
payments of dividends to foreigners. The late  
augmentation of the navy, though probably  
a right measure, has, by taking a large an-  
nual sum from the SINKING FUND, removed  
us to a greater distance than ever from the  
possibility of discharging them. An unfa-  
vourable turn of events in the *East-Indies*,

(*a*) I have related this fact from the most respectable authority.

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or any considerable deficiencies in the revenue, might destroy our ability of paying even the interest of them. At least, it is to be feared, that another war would exhaust our resources, and bring our affairs to a *crisis*.

In these circumstances; some vigorous measures for our own preservation, ought to be entered into immediately. More especially, it seems to be time for the public creditors to think of securing their capital. The law once gave them the Sinking Fund as a sacred and unalienable security. Would it be wrong to require a *restitution* of it; and to make this a condition of future loans?

Upon the whole. It is my sincere conviction, that a policy, too narrow and selfish, has brought us into threatening circumstances. I have written under this conviction; and, if my feelings have drawn from me any language improperly severe, I hope I shall be excused.

I will only add, that I think myself much obliged to the civility of *some* who have addressed remarks to me. But their objections have not yet led me to any change of sentiments.—Whenever I am made sensible of having fallen into any material mistakes, I shall think myself bound to acknowledge and retract them. In the mean time, I must beg leave to avoid disputes; and to refer in silence all I have written to the decision of the public.

C O N-

## C O N T E N T S.

## P A R T I.

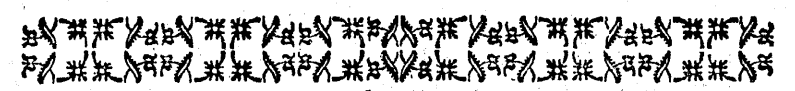
*Containing an Account of the NATURE and POWERS of the SINKING FUND; and the fatal Consequences of alienating it. Page 1*

## P A R T II.

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## A P P E N D I X,

*Containing explanatory OBSERVATIONS, and TABLES, and an Account of the present State of POPULATION in NORFOLK, and some of the adjoining Counties. — p. 54*



A D D I T I O N A L  
P R E F A C E.

**T**H E foregoing Preface was written near two years ago.—In a new edition of my Treatise on *Reversionary Payments*, published since that time, I have given an account of a plan for discharging in forty years, a hundred millions of the national debt, with a *surplus* of a million *per annum*. This plan is an improvement of a scheme proposed in the former editions of the same *Treatise*, and referred to in page 42 of this pamphlet.—It contains a method of reducing public debts which, with respect to expedition and efficiency, cannot be far from the utmost limits of possibility; and I have shewn, that, were it established, it would at all times lessen the public burdens, and operate as a preservative of the kingdom from calamities that are otherwise unavoidable. — I am in hopes that every competent judge who will examine that plan must find this to be true. At the time it was published, the kingdom was possessed of the very surplus it required; but I am obliged to take the present opportunity to mention, with regret and pain, that this is now no longer true.

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In consequence of the decline of trade, and the loss of an annual payment of 400,000*l.* from the *East-India Company*, the ~~Sinking~~ <sup>Revenue</sup> ~~Fund~~ has suffered a diminution that leaves us little to expect from it: And last year, had it not been for the money raised for paying the debts of this Company, the whole revenue of the nation would have been scarcely sufficient to bear its current and necessary expences (a).—This, I think, never before happened in a time of peace, since the first establishment of the Sinking Fund.

Two years ago trade had been carried much beyond its natural limits; and, aided by luxury and false credit, had occasioned an unusual flow of money into the Sinking Fund, and produced all the appearances of increasing wealth and prosperity. — But it might have been seen that these appearances were deceitful and transient.—False credit cannot be

(a) In 1772, a million and a half of the 3 per cents was paid off. At opening the budget that year, this was declared by Lord North in the House of Commons to be the commencement of a plan for paying off in ten years 17 millions of the national debt, and thus increasing in that time the Sinking Fund half a million per ann. and preparing the nation for bearing another war.—But in the very next year, only 800,000*l.* was paid; and this was done, not with real surplus money, but with part of 1,400,000*l.* borrowed on *Exchequer Bills*, and lent to the *East-India Company* to enable them to pay arrears of customs and other debts due to government.—Should, therefore, as some expect, this loan (or the greatest part of it) never be re-paid; more will have been added last year to the public debts than was taken from them.—It must be soon known how much will be paid this year.

permanent;

( xi )

permanent; and every thing, when it has got beyond a certain point, must sink.—Accordingly; in the summer of 1772 fictitious credit broke; and the ease with which money had been procured by issuing paper, being lost, the appearance of a general scarcity of money followed; many were involved in ruin; and trade, before over-done, stagnated and declined.—In this condition we now find ourselves; our merchants, fearful of the hazards of commerce and the competitions of adventurers, calling in their capitals (b): all sorts of provisions at an exorbitant price; our manufacturers starving; the poor an intolerable burden; and multitudes leaving the kingdom.

These evils are perhaps *temporary*; and a revival of trade may succeed the glut which speculation and extravagance have occasioned. But should the contrary happen: should trade, oppressed by the permanent incumbrances upon it, go on to languish; the time must soon arrive when, instead of enjoying any SURPLUS in the revenue, DEFICIENCIES will arise; and when, consequently, it will be necessary, in order to bear the expences of the peace-establishment, either to impose new taxes, or to make reductions in the

(b) To this chiefly has been owing the late alteration of foreign exchanges in our favour; and not, as has been strangely asserted, to the COIN-ACT.—An Act, which, by oppressing the poor, distressing traffic at a very critical time, and increasing *Paper-money*, has, I am afraid, done more harm than good.

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Funds (c). Every one must be sensible of the alarm this would give, and the danger into which it would bring us.

What renders our prospect in these circumstances more threatening, is, the tender and precarious nature of *Paper-credit*. This is now our chief support. — BANK NOTES, in particular, make the principal part of our cash; and were they to lose their credit, all the money in the kingdom would not much exceed the annual amount of the taxes; the revenue would fall to nothing,

(c) Our circumstances and those of the *French*, are in this respect extremely different. Among us, through misconduct, which the nation will rue and execrate, the expence of every war remains till another war comes. Among them, the expences of war are soon cleared away. They have more than once, by acts of power to which no resistance has been made, but which would *here* unhinge all government, reduced their funds one half; and I am informed, that since the last war their finances have been improved several millions *per annum*, and are at this time in a very good state.

The state of public credit, among us, for the last twenty years, may be learnt from the following account of the average prices of the 3 *per cent.* funds.

From 1751 to 1755, they kept between 104 and 106. — In 1755, the war which begun in that year reduced them to 92; and, in 1756, to 89. — In 1757 and 1758 they fluctuated between 89 and 93 — In 1759, between 89 and 82—In 1760, between 84 and 75—In 1761, between 80 and 71.—In 1762, they fell to 62.—In 1763, the peace raised them to 94: But from that year to the present, though there has been no interruption of peace, they have been sinking; and are now at  $86\frac{1}{4}$ ; that is, lower than they were at any time during the first four years of the last war; and near 20 *per cent.* lower than in the peace that preceded it.

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and general devastation would take place. For this reason, it may be said with truth, that more depends at present on the wisdom and good conduct of the BANK DIRECTORS than on the whole Legislature—One wrong step in them; an improvement in the art of forgery; or any event that should produce a general disposition to prefer *coin* to their *paper*, would undo us.—Paper-money, having only a local and imaginary value, can bear no alarm. It shrinks at every approach of danger. *Suspicion* subverts it: and when it falls, it gives no warning, but falls at once. The condition, therefore, of every state in which this prevails must be always critical in proportion to the quantity of it, and the degree of dependence upon it.

The History of *France*, in the year 1720, furnishes us with a striking proof of the truth of these observations. The *Royal Bank* in that kingdom had issued paper to the amount of above a hundred millions sterling. While this paper maintained its currency, it produced all the effects of a sudden importation of so much real money into the kingdom. The price of every thing was raised excessively. Estates were sold at 80 years purchase. The interest of money was reduced to 2 *per cent.* New buildings arose in town and country. Industry revived; luxury prevailed; and wealth and plenty reigned every where. — But this state of seeming prosperity was of short duration. An *arret*

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*of council*, intended to reduce the price of provisions, and also to give permanency to the circulating paper, produced in one day its ruin (*d*). General poverty and misery followed; and Paper-credit in that kingdom has never since recovered itself.

It is well known that the frenzy of this memorable year was not confined to *France*. At the breaking of the *South-sea Bubble*, our own bank was in some danger; and had paper circulation failed then *here* as well as in *France*, we might *now* have been only the happier. The public debts then existing would have been annihilated, and could not easily have been afterwards renewed; and we should at this moment have had only the *recollection* to trouble us of distresses still in our view; and which, every year that has since passed, has been rendering more and more terrible when they come.

Before the *Revolution* the supplies of every year were raised within the year by *temporary* taxes.—After the *Revolution* this became too difficult; and money was raised by perpetuating and anticipating the taxes, and forming them into funds for discharging the principal

(*d*) This arret was published on the 21st of May 1720; and “the following day a person might have starved with a hundred millions in his pocket.” See Sir *James Stuart's* Enquiry into the Principles of Political Economy, vol. II. book IV. chap. 26, &c. where a particular account is given of the events to which I have here referred.

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and interest of sums borrowed upon them. But even in this way, sufficient supplies for carrying on King *William's* and Queen *Anne's* wars could not have been procured, had it not been for the establishment of the BANK. This provided a substitute for money which answered all its purposes, and enabled the nation to make payments that it could not otherwise have made.

From that period, *Paper-credit* and *taxes* have been increasing together.—When *moderate*, these *promote* trade, by quickening industry, supplying with a medium of traffic, and producing improvements. But, when *excessive*, they *ruin* trade, by rendering the means of subsistence too dear, distressing the poor, and raising the price of labour and (*e*) manufactures. — They are now among us in this state of excess: And, in conjunction with some other causes, have brought us into a situation which is, I think, unparalleled in the history of mankind.—Hanging on paper, and yet weighed down by heavy burdens.—Trade necessary to enable us to support an enormous debt; and yet that debt, together with an excess of Paper-money, working continually towards the destruction of trade. — Public spirit, independence and virtue undermined by luxury; and yet luxury necessary to our

(*e*) The poor-rate alone is now equal to all the ordinary taxes formerly; and the expences of *peace* DOUBLE to those of *war* in King *William's* time.

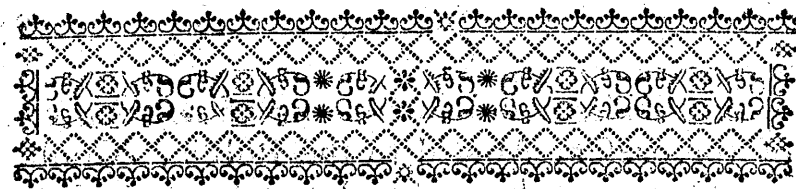
existence.



existence. — Other kingdoms have enacted sumptuary laws for suppressing luxury. Were we to do this with any considerable effect the consequence might prove fatal.—In short; were our people to avoid destroying themselves by intemperance, or only to leave off the use of one or two foreign weeds, the revenue would become deficient, and a public bankruptcy might ensue. — On such ground it is impossible that any kingdom should stand long.—A dreadful convulsion cannot be very distant. The next war will scarcely leave a chance for escaping it. But we are threatened with it sooner. — An open rupture with our colonies may bring it on immediately.

Newington-Green,  
Feb. 16th, 1774.

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A N  
A P P E A L

T O  
THE PUBLIC,

On the SUBJECT of the  
NATIONAL DEBT.

P A R T I.

**I**N a late Treatise on *Reversionary Payments, Annuity-Schemes, and Population*, I have offered to the public several observations on a subject, now highly interesting to this kingdom: I mean, the NATIONAL DEBT. These observations appeared to me important; and in this opinion of them I have been since confirmed by the concurring opinions of some of the best judges. But they have not yet, as far as I know, been favoured with the attention of the managers

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of our affairs; and this is one of the reasons of the present Appeal to the Public. Could our Governors be engaged to take them into consideration, they would perhaps see them to be worth their regard. Be this, however, as it will, I cannot make myself easy, without begging from the Public one further hearing on this subject.

I have observed, in page 163 of the Treatise I have mentioned, that in order to justify the Alienation of the SINKING FUND, it has been usual to plead, that when money is wanted, it makes no difference, whether it is taken from hence, or procured by making a new loan charged on new funds. I have called this a SOPHISM; and asserted in opposition to it, that the difference between these two ways of procuring money is no less than *infinite*. Those who have entered into my ideas cannot possibly want any other proof of this assertion than I have given. But, as it is a point of particular consequence, and some have objected to it, I shall here give as distinct and clear an explanation of it as I can.

A SINKING FUND, according to the most *general* idea of it, signifies “any SAVING or SURPLUS, set apart from the rest of an annual income, and appropriated to the purpose of paying off or sinking debts.”

There are *three* ways in which a kingdom may apply such a saving.

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1st. The *interests* disengaged from time to time by the payments made with it, may be themselves applied to the payment of the public debts.

Or, 2dly, They may be spent on current services.

Or, 3dly, They may be immediately annihilated by abolishing the taxes charged with them.

In the first way of employing a *Sinking Fund*, it becomes a fund always increasing itself. Every new *interest* disengaged by it, containing the same powers with it, and joining its operation to it; and the same being true of every interest disengaged by every interest, it must act, not merely with an *increasing* force, but with a force the *increase* of which is continually accelerated; and which, therefore, however small at first, must in time become equal to *any* effect.—In the *second* way of applying a *Sinking Fund*, it admits of no increase, and must act for ever with the same force.—In other words. A *Sinking Fund*, according to the first method of applying it, is, if I may be allowed the comparison, like a grain of corn sown, which, by having its produce sown and the produce of that produce and so on, is capable of an increase that will soon stock a province or support a kingdom.—

On the contrary. A *Sinking Fund*, according to the second way of applying it, is like a seed the produce of which is consumed;

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and which, therefore, can be of no farther use, and has all its powers destroyed.

The *former*, be its income at first ever so much exceeded by the new debts incurred annually, will soon become superior to them, and cancel them—The *latter*, if at first inferior to the new debts incurred annually, will for ever remain so; and a state that has no other provision for the payment of its debts, will be always accumulating them till it sinks.

What has been now said of the *second* mode of applying a fund is true in a higher degree of the *third*. For in this case, the disengaged interests, instead of being either added to the fund, or spent from year to year on useful services, are immediately given up.

In short. A fund of the *first* sort is money bearing *compound* interest—A fund of the *second* sort is money bearing *simple* interest—And a fund of the *third* sort is money bearing *no* interest—The difference between them is, therefore, properly infinite: And this is so evident, that I cannot go on with this explanation without some reluctance. I will, however, rely on the candour of those who must be already abundantly convinced, while I endeavour to illustrate these observations by the following example.

Let us suppose a nation to be capable of setting apart the annual sum of 200,000 l.

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as a fund for keeping the debts it is continually incurring in a course of redemption; and let us consider what its operation will be, in the THREE ways of applying it which I have described, supposing the public debts to bear an interest of 5 *per cent.* and the period of operation 86 years.

A debt of 200,000 l. discharged the first year, will disengage for the public an annuity of 10,000 l. If this annuity, instead of being spent on current services, is added to the fund, and both employed in paying debts, an annuity of 10,500 l. will be disengaged the *second* year, or of 20,500 l. in both years. And this again, added to the fund the *third* year, will increase it to 220,500 l; with which an annuity will be then disengaged of 11,025 l; and the *sum* of the disengaged annuities will be 31,525 l: which, added to the fund the *fourth* year, will increase it to 231,525 l. and enable it then to disengage an annuity of 11,576 l. 5 s. and render the *sum* of the disengaged annuities, in four years, 43,101 l. 5 s.—Let any one proceed in this way, and he may satisfy himself, that the *original Fund*, together with the *sum of the annuities disengaged*, will increase faster and faster every year, till, in 86 years, the *fund* becomes 13,283,414 l, and the *sum* of the disengaged annuities 13,083,414 l. (a)  
— The full value, therefore, at 5 *per cent.*

(a) See Appendix, note A, Table I.

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of an annuity of 13,083,414 *l.* will have been paid in 86 years; that is, very nearly, 262 millions of debt: And, consequently, it appears, that tho' the state had been all along adding every year to its debts three millions; that is, tho' in the time supposed it had contracted a debt of 258 millions, it would have been more than discharged, at no greater expence than an annual saving of 200,000 *l.*— But if the same fund had been employed in the *second* of the three ways I have described, the annuity disengaged by it would have been every year 10,000 *l.*; and the sum of the annuities disengaged would have been 86 times 10,000 *l.*; or 860,000 *l.*;—The *discharged* debt, therefore, would have been no more than the value of such an annuity, or 17,200,000 *l.*—But besides this, it must be considered, that there will be an expence *saved*, in consequence of applying every year the disengaged annuities to current services, for which otherwise equivalent sums must have been provided by new taxes or assessments. 10,000 *l.* will be saved at the beginning of the *second* year; 20,000 *l.* at the beginning of the *third*; 30,000 *l.* at the beginning of the *fourth*; and 850,000 *l.* at the beginning of the 86th year (*a*); and the sum of all these savings is 36,550,000 *l.* which,

(*a*) This is an Arithmetical Progression; and the sum of every such progression is found by multiplying the sum of the first and last terms by *half* the number of terms; or, in the present case, by multiplying 860,000 by 42  $\frac{1}{2}$ .

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added to 17,200,000 *l.* the debt *discharged*, makes 53,750,000 *l.* Subtract the last sum from 262 millions, and 208,250,000 *l.* will be the complete loss of the public arising, in 86 years, from employing an annual sum of 200,000 *l.* in the *second* way rather than the first.

Little need be said of the effect of the same fund applied in the *third* way. It is obvious that the whole advantage derived from it, would be the discharge of a debt of 200,000 *l.* annually; or of 17,200,000 *l.* in all.

Similar deductions might be made on the supposition of lower rates of interest and shorter periods.—Thus; let a state be supposed to run in debt two millions annually, for which it pays 4 *per cent.* interest. In 70 years, a debt of 140 millions would be incurred. But an appropriation of 400,000 *l.* *per ann.*, if employed in the *first* way, would, at the end of this term, leave the nation *beforehand*, six millions; whereas, if applied in the *second* way, the nation would be left in debt, 73 millions; and in the *third* way, 112 millions.

It is an observation of particular importance here, that there can be no reason for employing a *fund* in the *second* of the ways I have mentioned, rather than the *first*. In both cases, the taxes are continued during the operation of the fund. In the former, a disengaged tax or annuity is employed to *pay* debts;

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debts; and in the latter, it is employed to *save* debts which must have been otherwise incurred. If employed to *pay* debts it will obtain for the public other annuities, and those others *in infinitum*. But if it is employed to *save* debts; or, which in the present case is the same, the *interests* of debts, as those interests would not themselves have borne interest, no farther profit could arise.—In short, in the one case the disengaged annuity is *PROLIFIC*, and contains in itself a number continually growing of other annuities.—In the other case, it is a *BARREN* annuity.—To employ a fund, therefore, in the latter way rather than the former, is preferring an exemption from the burden of *ONE* annuity, to an exemption from *MANY*; and subjecting a kingdom to the loss of 208 millions in the *first* example, and 79 millions in the second, only for the sake of avoiding one expence by continuing another equal expence.

In the third or last way of employing a Fund, the Public will obtain some advantage by the abolition of taxes. But it is an advantage unspeakably overbalanced by disadvantages.—In the first example, we have seen, that it is gaining 36 millions and a half at the expence of 262 millions; or, in other words, procuring an ease from taxes which, in 86 years, would have been increased to 850,000*l. per annum*, at the expence of a Fund that, in the same time, would

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would have eased the Public of above *THIRTEEN MILLIONS per annum* in taxes.—But I need not insist on the folly of this, the abolition of taxes being what we have hitherto known little of in this country.

It must have been observed, that a *Fund* of the *second* sort is a greater check on the increase of public debts, than a *Fund* of the *third* sort. But the difference is not considerable, and there is one circumstance which, I think, reduces it almost to nothing.—It supposes a strict and inviolable application of the perpetuated annuities to the purpose of saving equivalent debts. But such an application of them is scarcely practicable. When small, they would be neglected; and, when large, they would, like the savings of persons in private life, only occasion an abatement of frugality; and, for this reason, if a *Fund* is not applied in the first way, it might, for ought I know, be best that it should be employed in the last way; for a kingdom would then be sure of receiving *some* relief, whereas otherwise it might receive *none*.

Perhaps, indeed, one might observe, in general, that if a *Sinking Fund* is not employed in the first way, and rendered absolutely inaccessible and unalienable, it would be most for the benefit of a State to be without any such provision. For, in these circumstances, tho' incapable of doing much good, it might do much harm by encouraging ex-

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travagance, and supplying Ministers of State with more money to be spent in maintaining undue influence and corruption.

But it is time to enter into a more explicit confutation of the plea commonly used to justify the alienation of the *Sinking Fund*, and which has been mentioned at the beginning of this Essay.

This alienation, it is well known, is become a fixed measure of Government among us. We owe to it our present heavy debt, and if continued much longer, there will, I am afraid, be no possibility of escaping some of the worst calamities. It is, therefore, necessary that the reason on which it has been grounded, should be particularly examined and refuted. And in order to do this, I must beg leave to bring again to view some of the preceding observations.

There is, let us suppose, a million wanted for the necessary supplies of the year. It lies ready in the *Sinking Fund*, and a minister, in order to obtain leave to seize it, pleads, "That, since such a sum must be had, it is indifferent whether it is taken from hence, or procured by making a new loan. If the former is done, an old debt will be continued. If the latter is done, an *equal new debt* will be incurred, which would have been otherwise saved; and the public interest can be no more affected by one of these than the other.

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" But the former is easiest. And it will save the disagreeable necessity of laying on a new tax."—This argument appears plausible; and it has never yet failed of success.—But what must prove the consequence?—If such reasoning is good one year, it is good every year; and warrants a total alienation of the *Sinking Fund*, if the annual expences of Government are such as always to require a sum equal to its income. And thus, it will lose its whole efficacy; and a Fund that, if not alienated, would have been OMNIPOTENT, will be converted into just such a *feeble* and *barren* one, as the *second* or *third* in the former account.

The fallaciousness of this argument consists in the supposition, that no loss can arise to the Public from continuing an *old debt*, when it cannot be discharged without incurring an *equal new debt*.—I have demonstrated this to be a mistake; and that by practising upon it, or *alienating* rather than *borrowing*, an INFINITE loss may be sustained.—Agreeably to this, I have in the *Treatise on Annuities*, pag. 339. shewn, that had but 400,000*l.* *per annum* of the *Sinking Fund* been applied, from the year 1716, *inviolably*, THREE MILLIONS *per annum* of our taxes might now have been annihilated.

I will here add, that had the whole produce of it been thus employed (*a*), we

(*a*) An explanation and proof of this may be found in the Appendix, Note B.

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might

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might now have been in possession of a very considerable SURPLUS, instead of being *in debt*, A HUNDRED AND FORTY MILLIONS. —But I will go farther. —Had even the money that, at different times, has been employed in paying off our debts, been applied but in a different manner (*b*); that is, had it been made the produce of a *Sinking Fund*, which, from 1716 to the present year, had never been alienated; above HALF our present debts would have been cancelled. —Such is the importance of merely the MANNER of applying money. —Such is the prodigious difference, in the present case, between *borrowing* and *alienating*. —Nor is there any thing in this mysterious. The reason has been sufficiently explained. —When a state borrows, it pays, I have said, only *simple* interest for money. When it alienates a Fund appropriated to the payment of its debts, it loses the advantage of money, that would have been otherwise improved necessarily at *compound* interest (*c*).

(*b*) I reckon that about 20 millions of the income of the *Sinking Fund* have, at different times and in different ways, been employed in paying public debts. Fifty-six yearly payments of 357,000 *l.* make nearly this sum; and, had it been divided into such payments and inviolably applied in the manner I have explained, from the year 1716; SEVENTY-ONE MILLIONS of debt, bearing 4 per cent. interest, would now have been discharged. —I hope it will be remembered, that in mentioning the results of calculations of this kind, I generally give the nearest round numbers, my design not requiring greater exactness.

(*c*) I must beg the reader, if he has here any doubt, to consult Note C, in the Appendix.

And

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And can there be any circumstances of a State which can render the latter of these preferable to the former? Or can the inconveniences, which may attend the imposition of a new tax, deserve in this case to be mentioned? What a barbarous policy is that which runs a Kingdom in debt, MILLIONS, in order to save THOUSANDS; which robs the Public of the power of annihilating ALL taxes, in order to avoid a small present increase of taxes? —This, in truth, has been our policy; and it would be affronting common sense to attempt a vindication of it.

I confess myself incapable of speaking on this subject with calmness. —Let the Reader think of the facts I have mentioned: let him consider the difference in our favour, which an inviolable application of the *Sinking Fund* would have made: Let him compare what, in that case, we *should* have been, with what we *are*; and let him, if he can, be unmoved.

I have, hitherto, argued on the supposition of a *total* or *constant* alienation of the *Sinking Fund*. It may be proper just to mention the effect of a *partial* alienation of it.

Let us then suppose, that its produce is taken from it only every other year. Most persons will, perhaps, be ready to pronounce, that this could only take from it, in any given time, *half* its effect. But the truth is,

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is, that such an interruption might destroy almost its whole effect.—An annual Fund of 200,000 *l.* would (it has been shewn) in eighty-six years, pay off 262 millions, bearing interest at 5 *per cent.* But if its produce is taken from it every other year, it would, in the same time, pay off no more than twenty-eight millions.

In like manner; a Fund of a million *per annum*, which commenced at the time of the establishment of our *Sinking Fund*, would by this time, (that is, in fifty-six years) have paid off TWO HUNDRED MILLIONS bearing interest at 4 *per cent.* But if alienated every other year, it could not have paid off above FIFTY MILLIONS. (a) And, if alienated two years in every three, it could not have paid off TWENTY-SEVEN MILLIONS.

I mean this on the supposition of a faithful application of its whole growing produce, in the years when it is not alienated. But this is a supposition which, when applied to the management of our SINKING FUND, is much too favourable. It has seldom happened that, in any one year, its whole produce has been applied to its proper use. In most years, it has been wholly alienated; and in some years, anticipated and mortgaged.—Can we then wonder, that it has done us so little service?

(a) See the Appendix, Note D.

From

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From these observations the truth of the following assertion will be very evident.

“A State may, without difficulty, redeem all its debts by borrowing money for that purpose, at an equal or even any higher interest than the debts bear; and without providing any other Funds than such small ones, as shall from year to year become necessary to pay the interest of the sums borrowed.”

For Example. Suppose our Parliament, 56 years ago, had resolved to borrow half a million annually for the purpose of redeeming the debts of the kingdom. The *National Gain*, supposing the money applied, without interruption, to the redemption of debts bearing 4 *per cent.* interest, would have been a HUNDRED MILLIONS, being *debt redeemed*, or the sum nearly to which an annuity of half a million will accumulate in 56 years.—On the other hand. The *National Loss* would have been, TWENTY-EIGHT MILLIONS; being *debt incurred*, or the sum of all the loans.—The balance, therefore, in favour of the nation, would have been (a) SEVENTY-TWO MILLIONS.

(a) It seems to me scarcely proper to take into this account, the produce of the taxes laid to pay the interest of the debts contracted from year to year. Let this, however, be charged.—The produce of the taxes laid to pay the interest of the first half million, will be 55 times as much as the interest of the first half million, or 20,000 *l.*



LIONS.— During this whole period, the revenue account would have been the same that it has been, except that it would have been charged, towards paying the interest of the money borrowed, with an annuity increasing at the rate of 20,000*l.* every year. In the present year, therefore, this annuity would have been 55 times 20,000*l.*, or 1,100,000*l.* But it should be remembered, that 100 millions having been redeemed, the kingdom might have been now eased of the annual expence of *four millions.*

Again, Suppose only half a million annually to be now capable of being spared from the *Sinking Fund.* This, if applied to the redemption of the 3 per cents. at *par,* would pay off no more than 61 millions in 52 years. But let half a million be borrowed annually, for only 23 years to come; and 99 millions will be redeemed in the same time. (a) That is; 38 millions more than

could be done by the present method; 20,000*l.* or 1,100,000*l.* For the second, third, fourth, &c. half-millions; the payment of taxes will be 54, 53, 52, &c. times 20,000*l.* And the sum of all these payments will be 30,800,000*l.* Add this sum to 28 millions; and 58,800,000*l.* will be the whole *national loss:* which deducted from 99,902,770 (the *exact national gain*) leaves 41,102,770*l.* the balance in favour of the public. See the Appendix, Note C.

(a) Such a scheme as is here proposed might be more helped than can well be imagined by various kinds of management; and, particularly, when the *stocks* are under *par,* by purchasing them for the public at the prizes in the

could have been otherwise redeemed, at the extraordinary expence of only *eleven millions and a half.*

WAR, while such a scheme was going on, would increase its efficiency; and any suspension of it then, would be the *madness* of giving it a mortal stab, at the very time it was making the quickest progress towards the accomplishment of its end.—Suppose, for instance, that, within the period I have mentioned, two wars should happen; one to begin five years hence, and to last 10 years; the other to begin 35 years hence, and to last also 10 years, and both raising the interest of money in the *Funds (b)* to 4½ per cent. It may be easily calculated, that on these suppositions 145 millions, instead of 99 millions, would be paid off by such a scheme. But, should it be suspended during the continuance of the two wars, it would in the same time (that is, in 52 years) pay off no more than 40 millions.

I know these Observations will look more like *visions* than *realities,* to those who have never turned their thoughts to these subjects;

the *Alley.*—There are no sums so trifling, as not to be capable in this way, of being applied to the payment of the public debts.—The *smallest gleanings* of a fund might be thus improved, in a better manner than any other parts of it.

(b) That is; so high as that it shall be an advantage to the Proprietors of the 3 per cents, to dispose of them at about 67.

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of who have not duly attended to the amazing increase of money, bearing compound interest.—The duration of the lives of *individuals* is confined within limits so narrow, as not to admit, in any great degree, of the advantages that may be derived from this increase. But a period of 50, or 60, or 100 years being little in the duration of *kingdoms*, they are capable of securing them in almost any degree: And if no kingdoms should ever do this; if, in particular, a nation in such circumstances as ours, should continue to neglect availing itself of them: one fact will be added to the many in the political world, which, tho' they cannot *surprize* a philosophical person, he must consider with concern and regret.

Money bearing compound interest increases at first slowly. But, the rate of increase being continually accelerated, it becomes in some time so rapid, as to mock all the powers of the imagination.—ONE PENNY, put out at our Saviour's birth to 5 *per cent. compound* interest, would, before this time, have increased to a greater sum, than would be contained in A HUNDRED AND FIFTY MILLIONS OF EARTHS, all solid gold (c).—But if put out to *simple* interest, it would, in the same time, have amounted

(c) See Treatise on Reversionary Payments, &c. Introduction, page 13.

to

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to no more than *seven shillings and four pence half-penny*.—Our government has hitherto chosen to improve money in the *last*, rather than the *first* of these ways.

Many schemes have at different times been proposed for paying off the National Debt. But the inventors of them might have spared their labour. Their schemes could not deserve the least notice. The best scheme has been long *known*. It has been *established*; but, unhappily for this kingdom, it was crushed in its infancy. Still, however, if our deliverance is possible, it must be derived from hence. The strictest mathematical evidence proves, that the natures of things don't admit of any method of redeeming public debts so expeditious and effectual.—

RESTORE, THEN, THE SINKING FUND. And if the WHOLE of it cannot be unalienably applied to its original use, let SOME PART of it be so applied; that the nation may, at least, enjoy a *chance* of being saved.—“ The *Sinking Fund*, (says a great writer) is the  
“ last resort of the nation; its only domestic  
“ resource, on which must chiefly depend all  
“ the hopes we can entertain of ever dis-  
“ charging or moderating our incumbrances.  
“ And, therefore, the *prudent* application  
“ of the large sums now arising from this  
“ fund, is a point of the utmost importance,  
“ and well worthy the serious attention of  
D 2 “ Parliament.”

“Parliament.”(d)—I should offer an injury to truth, were I to say no more, than that I have pointed out the most PRUDENT application of this *fund*. I am persuaded that I have pointed out the ONLY application of it, that can do us any essential service. Time must discover whether the PARLIAMENT will think it worthy of any attention.

(d) See Mr. Justice BLACKSTONE's Commentaries on the Laws of England, Vol. I. page 329.

PART

PART II.

I Have frequently spoken on the supposition that the *Sinking Fund*, as it was originally established by the Legislature, was such a fund as I have explained in the preceding pages. The following brief account of the origin of this *fund*, and of the measures of Government with respect to it, will, I think, prove this; and at the same time, perhaps, convince every person, that this is a subject on which the nation has indeed no small reason for complaint.

Before the establishment of this *fund*, there had existed many smaller *funds* of the same nature. That is; such duties or taxes had been provided, for paying the interests of particular loans, as afforded surplusses by which the principal itself was to be gradually redeemed. This seems to have been the common practice in the reigns of King WILLIAM and Queen ANNE. Most of the public duties were

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were given for terms of years; and at the end of those terms they ceased of course, unless continued for farther terms by new acts of *Parliament*. And, in general, it was provided, when any money was raised, that the principal should be cancelled either by *time*, as in the case of the sale of long and short annuities, or by the *surplusses* of the duties charged with the payment of the interest. This was certainly an excellent plan. But it was by no means carried steadily into execution.—In the year 1720, most of the long and short annuities were converted into redeemable *perpetuities*, at the expence of above *three millions*; and the *surplusses* of the duties, charged with particular loans, were often so broke into, by being either charged with new loans before they had cancelled the old, or spent on current services, as to be rendered incapable of answering the end intended by them (a.)—In consequence

(a) Dr. DAVENANT, in his *Essay on the probable Method of making People Gainers in the Balance of Trade*, published in 1699, complains of this in very strong language, and represents it as full of danger to the trade and liberties of the kingdom.—“A sufficient provision (says he) is not made against diverting the public treasure, and against breaking into appropriated *funds*.—The laws have not made this criminal enough.—The Exchequer should be fenced about with all possible skill.—Stopping the principal, tho’ the payments of interest are continued, may prove *fatal*.—More danger may arise to our liberties from breaking into old  
“funds,

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quence partly of this bad management, our debts at the *accession* of the present Royal Family were so much increased, as to be generally reckoned *insupportable*; and their reduction was made one of the first objects of parliamentary attention. This gave rise, in the year 1716, to the institution of the *fund* of which I am giving an account; the *father* of which, as is well known, was Sir ROBERT WALPOLE.—All the taxes charged with the National Debt were now made perpetual; and digested into *three* funds called the *Aggregate*, the *South-sea* and the *general* funds.—At the same time a considerable saving was obtained, by the reduction of interest from 6 to 5 *per cent*; and this saving, together with former savings, and all that should afterwards arise, were to be collected into a *fourth* fund, distinguished under the name of the SINKING FUND, the account of which was to be kept separate, and the whole produce of which was to be appropriated inviolably to the payment of the National Debt.

“funds appropriated, than from making new and forced levies on the subject.”—The reason he gives for these assertions is, “that in consequence of such divisions of the public *funds* the public debts (then estimated by him at 17 millions) would increase, and ministers come in time to be supplied with a revenue so large as would enable them, with the help of a standing army, to make Parliaments useless and to overthrow the constitution.”—What would this excellent writer say were he now living? See Davenant’s works lately published by Sir CHARLES WHITWORTH, vol. 2d. page 286, &c.

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A considerate person might have suspected, that the same causes that had rendered former partial appropriations ineffectual, would destroy the efficacy of this. There seemed, however, to be reason for hoping the contrary. For,

In the first place, The future happiness and glory of the Kingdom were considered as depending on this appropriation; and the law which established it was declared to be a fundamental law of the realm.

In conformity to this, secondly, The words of the law were made as strong as they could well be (b). For, concerning all the Surplusses to arise from time to time in the three Funds I have mentioned, it declares, that they *shall be appropriated, reserved and employed to and for the discharge of the principal and interest of such national debts and incumbrances as were incurred before the 25th of December 1716, and to and for no other use, intent or purpose whatever.*—It was, therefore, impossible, that any alienation of these Surplusses should take place, without a direct breach of this law.

Again. One of the considerations, that induced the public creditors to accept of an interest of 5 instead of 6 *per cent.* was the security given to their principal by this appropriation. It was a sacred Deposit or

(b) This law was afterwards repealed in an act of the 5th of George I. chap. 3.

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Pledge made over to them; and at that time it was, I believe, universally reckoned, that no alienation of it could take place, without injustice to the public creditors, and a violation of the faith and honour of Parliament.

Particular notice should be taken of the words of the *Act of Parliament*, as they have been just recited. It is evident, that they make this *Fund* such a *Fund* as that upon which I have all along argued. The public taxes were made perpetual; and all the surplusses were to be applied to the discharge of the public debts, and to no other purpose whatever. When, therefore, a debt had been paid off, the addition arising from that payment to the surplusses, or the annuity disengaged by it, became a part of the Fund, and, together with it, was to be employed in discharging farther debts. And, the same being true of every successive annuity disengaged by every payment, the Fund was rendered such an increasing Fund as the first I have described; or a *Fund*, which, if never misapplied, must have operated in sinking the public debt, in the same way that money *accumulates*, when put out to bear compound interest. And in this way this Fund did in fact operate for a few years.—While in its infancy, it was watched over with great care. The improvement and the inviolable application of it were re-

E commended

commended in most of the Speeches from the Throne, and echoed back in the Adresses of the *House of Commons* (a).—In consequence of the increase of public credit occasioned

(a) King's Speech at opening the Parliament, February 20, 1717.—“ You are all sensible of the *insupportable* weight of the National Debt, &c.”—Answer of the *Commons* :—“ We are all but too sensible of the *insupportable* weight of the National Debt; and, therefore, will not neglect to apply ourselves, with all possible diligence and attention, to the *great and necessary work* of reducing and lessening by degrees this heavy burthen, which may prove the most effectual means of preserving to the Public Funds a real and certain security, &c.”—King's Answer.—“ Your resolution of applying yourselves to ease my people, by gradually reducing the heavy load of the Public Debts, deserves my hearty thanks, &c.”—King's Speech, May 6, 1717.—“ I must recommend to you, as I did at the beginning of the Session, to take all proper methods of reducing the Public Debts.”—Answer of the *Commons*.—“ We are truly sensible, how much the ease and prosperity of your subjects, depends on the accomplishing that great and necessary work of reducing the Public Debts, and are resolved to carry it on in the most effectual manner.”—King's Speech, 1718.—“ I have the pleasure to observe to you, that the *Funds*, appropriated for sinking the Public Debts, have answered above expectation.”—Address of the *Commons* on presenting a Money Bill, 1722.—“ They have omitted no opportunity of easing the Public incumbrances, and of putting the National Debt into a method of payment. For no sooner had your Majesty, by the vigilance of your Councils, and the success of your arms, restored and secured the public peace, but your *Commons* immediately found means to reduce the interest of the National Debt, and thereby set a-part a Fund, which, by a farther re-

duction

occasioned by it, a *second* reduction of interest from 5 to 4 *per cent.* took place in the year 1727, and near 400,000 *l. per ann.* was

“ duction of interest since made by your *Commons*, will, in a few years, be considerably increased, and the payment of the Principal become practicable.”—King's Speech, January 9, 1724.—“ I must, in a particular manner, recommend to your care the Public Debts of this Kingdom, as the MOST NATIONAL CONCERN YOU CAN POSSIBLY TAKE INTO YOUR CONSIDERATION. I am persuaded it must be a great satisfaction to all my faithful Subjects, to see the *Sinking Fund* improved and augmented, and the Debt of the Nation thereby put into a method of being so much the sooner reduced and paid off.”—Reply of the *Commons*.—“ We are highly sensible of your Majesty's goodness to all your people, in recommending, particularly, at this time, to our consideration the Public Debts of the Kingdom, which are so heavy a load and so much a *national concern*, that we should be wanting to ourselves, if we did not assure your Majesty, that we will use our utmost endeavours to improve and augment the *Sinking Fund*, and thereby put the National Debt into a method of being gradually reduced and paid. And as your Majesty is pleased to encourage our undertaking so great and noble a design, so we are fully persuaded, that the wisdom and *steadiness* of your Majesty's Government will enable us to perfect this great undertaking.”—Representation made by the *Commons* in 1728, about the National Debt.—“ The National Debt, contracted in carrying on two long and expensive wars, as it was a matter of the *last consequence* to the Nation, was become the care and concern of all who wished well to our present and future prosperity. This produced several consultations in Parliament, to find out and settle some means of putting

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was added to its income.—So far were our ministers from being then deceived by the sophism which has since done so much mischief, that, whenever money was wanted for defraying the necessary expences of Govern-

“ this great Debt into a method of being gradually reduced; and the *Sinking Fund* was at last happily established, to a general satisfaction. This Fund became immediately a *favourite article* in all parliamentary consultations relating to the public revenues, and was considered as a national interest, worthy of the highest regard and attention, *which was by all possible means to be cherished and improved*, and the PRODUCE OF IT SET A-PART AND KEPT DISTINCT FROM ALL OTHER SERVICES AND PURPOSES, and was appropriated by Parliament to pay off and discharge National Debts incurred before the 25th Day of December, 1716.—From this happy event arose such general satisfaction to all degrees of people, that though the interest of the Public Debts was reduced, and the proprietors received a less income from them than before; yet, their security for their capital being so much mended, the rate or price for the purchase of these debts soon advanced to a much higher value than they were at before the reduction.”—The King’s Answer.—“The provision made for gradually discharging the National Debt is now become so certain and considerable, that nothing but some unforeseen event can alter or diminish it; which gives us the fairest prospect of seeing the old debts discharged; and you may be assured, that it shall be my particular care and study to maintain public credit, to improve the *Sinking Fund*; &c.”—Who, at this time, could have thought, that the very administration which declared all this anxiety about improving and cherishing, by all possible means, the *Sinking Fund*, would introduce the practice of constantly plundering it?

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ment, it was always (b) borrowed, and never taken from hence.

It deserves to be particularly mentioned here, that in 1726, an opinion had been propagated, that, notwithstanding the establishment of this *Fund*, the public debts had been

(b)		£.
In 1718	was borrowed towards the Supplies	505,995
1719	_____	312,737
1720	_____	500,000
1721	_____	1,000,000
1725	_____	500,000
1726	_____	370,000
1727	_____	1,750,000
1728	_____	1,230,000
1729	_____	550,000
1730	_____	1,200,000
1731	_____	500,000

The *Sinking Fund* might have supplied all this money; but rather than take any sums from it, the Land-tax was in the year 1726 raised from 2 s. to 4 s. in the pound; the nation being then under the apprehensions of a war.—In 1727, these apprehensions continuing, the King in his speech at the opening of the PARLIAMENT, after congratulating them on the great addition that would be made that year to the *Sinking Fund*, warns them against being led by the NECESSITIES OF THE NATION to a diversion of it.—“Let all that wish well to the peace and quiet of my Government, have the satisfaction to see, that our PRESENT NECESSITIES shall make no interruption in the progress of that desirable work of gradually discharging the National Debt. I hope, therefore, you will make a provision for the immediate application of the produce of the *Sinking Fund* to the uses for which it was so wisely contrived, and to which it stands now appropriated.”—Reply of the Commons.—“And that all that wish well to the peace and quiet of your

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been for some years increasing rather than decreasing. This occasioned the publication of a very curious and important pamphlet, in defence of the *Sinking Fund* and the Ministry, entitled, *An Essay on the Public Debts of this Kingdom*. I have now by me the fourth edition of this pamphlet, and I wish I could put it into every hand in the kingdom (a). It contains an excellent account of

“ your Majesty’s government, may have the satisfaction  
 “ to see, that our PRESENT NECESSITIES shall make  
 “ no interruption in the progress of that desirable work  
 “ of gradually reducing the National Debt; we will con-  
 “ sider of the most proper method for immediately apply-  
 “ ing the produce of the *Sinking Fund* to the uses for  
 “ which it was so wisely contrived, and to which it  
 “ stands now appropriated.”

In the following year the *House of Commons* voted, that the monies issued towards discharging the National Debt, from 1716 to Lady-day 1728, were 6,648,000 l.

In 1729, the nation being still threatened with a war, extraordinary supplies were wanted; and the *Sinking Fund* would have afforded all that was necessary. But the King in his speech, at the opening of the Sessions, recommended it to the care of the *House of Commons* to “ apply it to its proper use.” And the *Commons*, in their reply, assured him that it should be so applied.—Accordingly a million of the South-sea Annuities was ordered to be paid off.—At this time, however, the zeal of the ministry for the preservation of the *Sinking Fund* was much abated, and indeed meant no more, than that it should not be robbed of any gross sums. In the preceding year, the surplusses belonging to it had been charged with the interest of the money then borrowed; and the same was done this year.

(a) This pamphlet cannot, I suppose, be now easily procured.—It was answered in a pamphlet, entitled, *A State*

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of the importance of discharging the public debts, and of the provision made for that purpose by the institution of the *Sinking Fund*. It proves particularly, in opposition to

*State of the National Debt*; and this produced a second pamphlet by the author of the *Essay*, entitled, *A Defence of an Essay on the Public Debts of this Kingdom, in Answer to a Pamphlet, entitled, A State of the National Debt*.—From the following words in this *Defence*, I conclude, that some reference had been made to the *Essay*, in one of the King’s Speeches.—“ The success of my *Essay* on the *Public Debts*, and the satisfaction of hearing from the throne, that my zeal for the preservation of the *Sinking Fund* cannot have been disagreeable to his Majesty, gives me a pleasure that alone is an ample reward for my attempts to serve my country.” p. 64.

The following extract, from Vol. 7. of the *History and Proceedings of the House of Commons*, will perhaps shew who the writers were in this controversy.—“ Feb. 23. 1727-28. the Committee of Supply resolved to raise 1,750,000 l. on the coal duty. Hereupon Mr. PULTENEY observed, that the shifting of funds was but perperuating taxes, and putting off the evil day; and that notwithstanding the great merit that some had built on the *Sinking Fund*, it appeared that the National Debt had been increased since the setting up of that POMPOUS PROJECT. On which Sir NATHANAEL GOULD, an eminent merchant, said, he apprehended that Gentleman had his notions out of a Treatise, entitled *A State of the National Debt*, supposed to be written by that very Gentleman; but, that if he understood any thing, it was numbers, and he durst pawn his credit to prove that author’s calculations and inferences to be false.—To this Mr. PULTENEY replied, that he took them to be right, and he would likewise pawn his credit to make good his assertion.—Upon this Sir

“ ROBERT



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to the opinion I have mentioned, that the public debts had decreased; and that of the 52 millions then due, 50 millions would, in 28 years, (b) be extinguished by the *Sinking Fund*. The same explanation is given of the nature of this Fund with that which I have given. The same representation is made of its powers; and the same arguments used to demonstrate the evil of alienating it, in order to avoid making new loans charged on new *Funds*.—And, in answer to a suspicion which was then entertained, that the practice of alienating it would be introduced by our ministers, he observes, that this would be to pursue a measure which would destroy all probability of the payment of our debts; and, therefore, he pronounces that, “as long as the public welfare was in the least re-

“ROBERT WALPOLE took up the cudgels, and said he would maintain what Sir NATHANAEL GOULD had advanced.—Several warm expressions having passed on both sides, Mr. Hungerford interposed in a jocular speech, that put the house in good humour; and so the dispute ended.”

It is a reflection which in my enquiries into the History of the Sinking Fund, has occurred to me with pain; that, while a ministerial measure, it was no object of the zeal of the *Patriotic Party*. But as soon as it came to be deserted by the ministry, they took it up warmly.

(b) Mr. SMART also published, at this time, calculations of the same kind. See his *TABLES OF INTEREST*, dedicated to the GOVERNOR and DIRECTORS of the Bank of England, page 98, 99.

“garded

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“garded, the nation might confidently expect, that no person into whose hands the administration of its affairs might fall, would ever approve of or recommend any such measure, *in any possible exigence of our affairs.*” Pag. 46. (a) — After this he goes on in the following words: Pag. 51. —“There is another objection to the probability of the payment of our public debts, which, if I did not frequently meet with it, I should chuse not to mention, from my apprehension that in stating it, as I have met with it, I should be obliged to mention my superiors with less decency, than that grateful sense of the happiness we enjoy under the present reign, would, on all other occasions, lead me to. The objection I mean is, that the continuance of our public debts is and always must be the interest of the persons in the administration (b); that the great profits of their employments arises from hence; and that the necessary power and influence to support themselves in their employments depend greatly on their having reserved to themselves the disposition of the various offices and employments in

(a) See the Extracts in the Appendix.

(b) Apprehensions of this kind were entertained likewise in Dr. DAVENANT's time.—“Some modern politicians (says he) have run upon another notion, and several persons have thought, that the more funds are erected, the more people are engaged to preserve the present Government:” Davenant's Works, Vol. II. page 297.

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“collecting

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“ collecting and applying the Revenue appropriated to the payment of the public debts.”—In answering this objection, this writer acquaints the public, that whatever truth there might be in it, nothing can have been or will be more sincerely endeavoured by the servants of the crown, than the discharge of the public debts. He takes notice of the remoteness of those views of interest which might render our ministers unwilling to give up the public debts; and then concludes with this general inference from all his observations—“ That the proposition which had been made of the *Sinking Fund*, was an expedient, from which the full and effectual payment of the principal of the national debt, in a few years, might, with great assurance, be expected.”

Such was the language, and such were the sentiments of the ministry and its friends, in the year 1726.—Would to God they had continued in these sentiments. But they soon changed; and it appeared that the suspicions which this writer had taken pains to remove, and which (in Pag. 62.) he had called *indecent jealousies*, were but too well grounded.

Charging the income of the *Sinking Fund* with the payment of the interest of new loans, is an encroachment upon it, no less subversive of its efficacy, than depriving it of *gross* sums; there being evidently no difference between taking from it the *annual interest* of a sum, and that sum itself.—This

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writer saw this, and therefore declared, “ that, in his opinion, it was IMPOSSIBLE “ it should ever be done.” Pag. 50.—But how miserably was he deceived by the confidence he placed in his friends in power?—In a little time after this, that alienation which he thought could never be *proposed*, much less *succeeded in*, was begun in the very manner that he had declared to be IMPOSSIBLE. Between the year 1727, and 1732, several new loans were made; and surplusses, that of right belonged to the *Sinking Fund*, were charged with them. This reduced its income considerably below what it should have been. But, being an encroachment of a less open nature, it did not, as far as I can find, produce any particular opposition.—From this period, however, we must date the ruin of the *Sinking Fund*.—The finishing blow was given it on the following occasion.

In the year 1732, the land-tax had been reduced to 1s. in the pound; and, in order to supply the deficiency arising from hence, half a million had been procured for the current service, by the revival of the salt-duties, which, but two years before, had been repealed, because reckoned too burthenfome on the poor.—In the year 1733, in order to keep the land-tax as low as it had been the year before, it was necessary either to borrow another half million, or to take it from the *Sinking Fund*. The last method

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was chosen ; and proposed by Sir ROBERT WALPOLE to the *House of Commons*. — Long and warm debates ensued (a)—A proposal to alienate, in a time of profound peace, a *fund* which the law had made sacred, and the alienation of which no possible exigence of public affairs could justify, only for the sake of keeping the land-tax for one year at 1 s. in the pound, justly kindled the indignation of the Patriotic Party. They urged the prohibition of the law, the faith of Parliament, and the security of the kingdom. The proposer of the alienation was reminded of his inconsistency and treachery, in endeavouring to beat down that very monument of Glory which he had boasted of having erected for himself; and Sir JOHN BARNARD warned him, that he was drawing upon himself the curses of posterity,\*—But all arguments were vain.

(a) See Vol. viii. of the History and Proceedings of the *House of Commons*. Or, the *Historical Register*, Vol. xviii. page 218.—In the account of this debate I don't find the argument, on which alienations have been since grounded, once intimated. After the publication I have mentioned, it could scarcely deceive any person: Nor, indeed, in the present case, could it have been urged with any tolerable decency; for there was no public exigence which rendered an extraordinary supply necessary.

\* In the House of Lords also this alienation was warmly opposed. Lord CARTERET, Lord BATHURST, and others, insisted, that the application of the Sinking Fund to any other use than the payment of the public debts, was robbing the public creditors, because it was depriving them of their security for their principal; and doing injustice to the whole people of England, because

vain.—The ministry pleaded that the landed interest wanted ease; that there was no occasion for being in a hurry to pay the National Debt; and that the circumstances of the kingdom had altered so much since the establishment of the *Sinking Fund*, that the

cause it was taking from them the only means, by which they could expect to be freed from the taxes under which they groaned. See *The History and Proceedings of the House of Lords*, Vol. 4th, pag. 155, &c. “It is true, “that after a certain provision had been made for paying off the principal, in a term within every man's “view, it began to be a contest among the public creditors, who should be *last* paid off. But if two or three “more misapplications should be made, the only contest “will be, who shall be *first* paid off; because every man “will begin to be afraid, that an entire stop will be put “to the annuity, as well as the payment of the principal, before the last creditors could be paid off.” *Ibid.* p. 511.—“When any additional tax is imposed, “the public feel the weight of the annual public expence. This puts them upon enquiring into the necessity for that expence; and when they can see no necessity for it, they murmur, and those murmurs become “dangerous to the ministers. Whereas no man feels “what is taken from the Sinking Fund; therefore no “man enquires into the necessity of that expence, which “occasions its being plundered; and for this reason it “will be always looked upon by ministers as a fund “which they may squander with safety. But this may, “and will probably at last, fall heavy on some prince of “his majesty's family. At the same time that he will “see almost all the revenues in the kingdom mortgaged “for old debts, he may find himself engaged in a war as “expensive as was that war which occasioned these “debts. And this is so melancholy a prospect, that the “mere possibility of its existing must give the most affecting sorrow to every man who has the security and “honour of the present Royal Family at heart.” *Ibid.* p. 511.—See Note E, *Appendix*.

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competition then among the public creditors was, not who should be *first*, but who should be *last* paid. Thus argued among others Sir ROBERT WALPOLE. His reasons prevailed; and the *House of Commons*, not used to refuse him any thing, consented.

The practice of alienating the *Sinking Fund* having been thus begun, it went on of course. In the next year, or 1734, 1,200,000*l.* was taken from it. In 1735, it was even anticipated and mortgaged.

Thus then expired, after an existence of about eleven years, the SINKING FUND—that sacred Blessing—Once the Nation's only hope,—prematurely and cruelly destroyed by its own parent.—Could it have escaped the hands of violence, it would have made us the envy and the terror of the world, by leaving us at this time, not only TAX-FREE, but in possession of a treasure, greater perhaps than was ever enjoyed by any kingdom. (b)—But, let me not dwell on a recollection so grievous.

It is unavoidable here to enquire, how the conduct of our *Parliaments* or *Ministers*, in this instance, can be accounted for.—Were they indeed ignorant of the powers of the *Sinking Fund*?—I doubt not but this has been true of most of our late ministers. But that recital of facts which I have given proves, that, in the period of which I am speaking, it

(b) See Page 12.

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could not have been true.—I am afraid therefore, that the most candid will, on this occasion, find themselves under a necessity of giving way to the suspicion, which the excellent author I have so often quoted, has called an *indecent jealousy*. The powers of the *Sinking Fund* were, perhaps, but too well known. It had been demonstrated, as we have seen, in a performance generally read and even referred to from the throne, that, in a few years, it would have annihilated the whole National Debt. In consequence of having been carefully nursed and cherished for eleven years, it had acquired a vigour, that promised much more than was ever expected from it. The loss, therefore, of the *dependence* created by the National Debt, and of the security it gave to the *Hanoverian* succession and the administration, was brought in too near view. And in these circumstances, it is not strange, that the policy of our Governors should take a new turn, and that the *ruin* of the *Sinking Fund* should become no less a measure of state, than its improvement had been.—My conscience obliges me to take this opportunity to add, that similar measures were, at this time, pursued in another instance of no less importance. For like reasons, and with like views, a PERNICIOUS INFLUENCE was maintained and promoted in the *House of Commons*, which has sapped the constitution;

tution; and which may in time establish among us a tyranny of the most intolerable kind; a tyranny attended with the mockery of all the forms of liberty; a tyranny created, supported and sanctified by a PARLIAMENT.

—This is, in truth, the *fundamental* grievance of the kingdom; and that Patriotism, the first object of which, is not the removal of it, can be nothing but an imposture. To this grievance we owe, among other evils, the loss of the *Sinking Fund*. Had the guardians of the State been under no undue influence, they would have been more faithful; and could not have given up this great security of the kingdom.—Unhappy BRITAIN!—How long art thou to lie thus bleeding?—How long are thy dearest rights to be sacrificed to *temporary expedients*, and a narrow and selfish policy?—When shall thy PARLIAMENTS recover independence and dignity, and become once more awful to Ministers of State?

But I am in danger of digressing too far.

I have been frequently obliged to refer to the Observations on the National Debt in my Treatise on *Annuities*. Indeed, one of my designs in this Appeal, is to engage attention to those Observations; and, therefore, I will here beg leave to recapitulate some of the chief of them, that all who will look into

into this Pamphlet may be able to judge how far they deserve notice.

First, Such a *Fund* as I have proposed in that Treatise, and here more fully explained, would discharge the *largest* debts that a State could have occasion to contract, at a *small* expence, and in as little time as its interest could possibly require.—For example. An annual saving of 200,000 *l.* applied, without interruption, from the year 1700, would, long before this time, have discharged above eighty millions of our debts (*a*), gradually and insensibly, and without interfering with any of the other measures or resources of Government.—A tax on celibacy alone might, in this way, have been made the means of bearing most of the Public Expences; at the same time that, by promoting population, it increased the number of our people.—A Fund yielding 1 *l.* per cent. surplus annexed to a loan at 6 per cent. would, besides paying the interest, discharge the principal in thirty-three years. A Fund

(a) In this year it would have paid off 96 millions and a half, and disengaged 3,555,000 *l.* of the public taxes. And (in pag. 6.) it is shewn, that in eighty-six years, supposing it all along applied to the redemption of debts bearing 5 per cent. interest, it would pay off 262 millions.—In short; there is not a PENNY wasted in the management of the Revenue, or worse than wasted, by being given to hungry dependents, which might not be made a *mine* of inexhaustible wealth to the Kingdom. See pag. 19.

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producing the same surplus annexed to a loan at 5 *per cent.* would discharge the principal, in thirty-seven years; at 4 *per cent.*, in forty-one years.—A saving of a million and a half *per annum* continued for twenty years, (or only for eighteen years, supposing management used, or a war to come) might, (with the help of a saving of 200,000 *l.* which will arise in 1781, from the reduction of the 4 *per cents*) be so improved as to ease the Nation, at the end of that term, of a MILLION AND A HALF *per annum* of the most oppressive taxes; and, at the end of forty-one years, of THREE MILLIONS *per annum* more in taxes (a): And the nation, if capable of bearing its increasing burdens for some

(a) See Treatise on Annuities, p. 156.—Were the managers of our affairs to enter with zeal into such a proposal as this, they might probably find means of improving the *Sinking Fund* so far, as to make it capable of yielding the whole annual sum here mentioned, over and above all the sums necessary for supplying the deficiencies of the peace establishment.—Let this, however, be granted to be impossible; and let the sums it wants of such a surplus be borrowed every year. From pag. 17. it may be inferred, that this (supposing the sums borrowed not to exceed half a million annually) would make no great difference in the efficiency of the scheme: And, at the same time, by providing for the public creditors a way of returning part of the money annually paid them, it would be attended with some advantages.—Every such measure is, I have shewn, only a course of borrowing sums at *simple* interest, in order to improve them at *compound* interest: And, as the

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some time longer, would be then completely extricated.

2dly, Such a Fund would render it of little or no consequence what interest a State paid for any loans.—Concerning reductions of interest it has been proved, that they are not attended with the advantages commonly imagined; and that, as hitherto managed among us, they have been indeed only *expedients* which have *postponed* a public

benefits hence arising become in time infinite, THERE IS NOTHING THAT A STATE MAY NOT DO BY IT.—With the effect of such a scheme, compare the effect of paying off a *million*, or a *million and a half*, now and then, in a time of peace only.—This is the paltry plan we are pursuing.—With a *Sinking Fund* which, at an average, has for several of the last years yielded *two millions and a quarter*; and with the land-tax also at 4*s.* and 3*s.* in the pound; we have, during a peace of near ten years, paid off about *eight millions*; and, in this way of going on, we shall, if the peace lasts NINETY YEARS, reduce our debts to the state they were in eighteen years ago.—Have such measures any *tendency* to save us? Is there any probability, that the payment of even *two millions* annually, from this time to the commencement of another war, would do us any great service?—Miserable reflection!—That it should be possible for our ministers, in defiance of a law which has established the most efficacious of all plans, and the kingdom sinking; to go on in such a way.—Had the scheme here proposed been begun as soon as the last war ended, we should now have seen ourselves, within a few years of the extinction of a *third* of all the taxes that pay the interest of the National Debt. The 3 *per cents* also would now have been near *par*; and when a war came (supposing the kingdom convinced that no more alienations would take place) all the money necessary to carry it on might have been procured on easy terms.

bankruptcy, by *lessening the possibility* of avoiding it (*b*).

3dly, A war would either have *no* effect on the public Funds; or, if it had, would *accelerate* the payment of the public debts, in proportion to that effect (*c*).

4thly, That fluctuation in the Stocks would be prevented, which now lays the foundation of so much evil; and which (with the help of *annual Lotteries*) is likely in time to destroy all honest industry among us, and to convert us into a nation of gamblers.

5thly, Public credit would be always kept firm and flourishing by such a Fund; and all those dangers which attend our present exorbitant debt would be removed.

6thly, It is not possible, there should be any method of discharging public debts so cheap and effectual. — All methods of paying debts or raising money by Life-Annuities are, in particular, shewn to be wasteful, the same ends being equally attainable with less trouble, and at near half the expence. — Should, therefore, the managers of our affairs ever determine to enter into vigorous measures for reducing our debts, they will be eased of all trouble in examining schemes. They have nothing to do, but to carry into execution a scheme

(*b*) Treatise on Annuities, pag. 140, &c.

(*c*) *Ibid.* p. 157, &c. See also, p. 17. of this Appeal.

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which lies before them, and which the law has long since established.

Among the evils produced by the National Debt, there is *one* of which the Public has not been yet sufficiently apprized; and which, therefore, I must here beg leave particularly to mention. I mean; that DEPOPULATION which has been going on among us, ever since it began. A Depopulation so great, as to have reduced the number of inhabitants in ENGLAND and WALES, near a QUARTER in eighty years; or from about SIX MILLIONS, to about FOUR MILLIONS AND A HALF. In the *Supplement* to the Treatise on Annuities, p. 359, &c. I have given an account of the facts which prove this (*a*); and there is nothing that ought to alarm more, or to engage more the immediate attention of Government. — Among the causes of it, I have mentioned the engrossing of farms; the emigrations to our settlements in the *East and West Indies*; and the great increase, since the REVOLUTION, of our continental connexions, of our navy and army, and of commerce and luxury. — But the National Debt is likewise to be reckoned one of its principal causes. Its necessary tendency is to produce this effect. — It is a common observation, and probably not very far from the truth, that *half* the price of all the articles of consumption is caused by

(*a*) See the conclusion of the Appendix.

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our taxes. They *double*, therefore, the price of every thing; and, by increasing the difficulties of supporting a family, they discourage marriage and promote licentiousness. — There is no political maxim more certain, than that population thrives in a country, in proportion to the ease with which the means of subsistence can be procured. In a country, therefore, where they are all loaded with taxes, population must decline. — It has, I know, been asserted in answer to this, that though taxes increase the price of the means of subsistence, they increase also in an equal proportion the price of labour; and, consequently, cannot render the support of a family less easy. But no observation can be more groundless than this. It is true only of an increase in the price of the means of subsistence, produced by the importation of money into a country. As far as it is produced by taxes, it has exactly the same effect with a *scarcity*. — When there is an increase of money in a country, it will by degrees get into the hands of all, and therefore, all will be as well able to pay *more* for every necessary of life, as they were before able to pay *less*. But this cannot be the case if *more* must be paid, and yet the quantity of money remains the same. In this case, poverty and difficulties must be introduced: And these will be increased, if *luxury* co-operates with *taxes*, by producing a greater number of wants, and rendering  
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more of the articles of consumption necessary. — *Moderate* taxes may, by quickening industry, be so far an advantage: But they always check population. And there is a limit which, when they exceed, they must produce ruin. — In a word; not only the preservation of our TRADE (a) and LIBERTIES;

(a) Nothing, in my opinion, can be more replete with mischief to a free people, than such a debt as ours is. — I have mentioned (in the Treatise on Annuities, pag. 161.) the danger to which it exposes us from *foreign enemies*, by making us fearful of war; and from *domestic enemies*, by making us fearful of the consequences of opposition to arbitrary measures. Indeed, I look upon the public creditors as little better than a band of pensioners to the Government; and it is more than probable, that had the nation been encumbered with our present debts in the reigns of King CHARLES the 1st. or JAMES the 2d. the former would never have lost his *life*, nor the latter his *crown*. — “ Thus much (says Mr. Justice BLACKSTONE in his *Commentaries*, vol. 1. book 1. chap. 8.) is indisputably certain, that the present magnitude of our national incumbrances very far exceeds all calculations of commercial benefit, and is productive of the greatest inconveniencies. For 1st, The enormous taxes, that are raised upon the necessities of life for the payment of the interest of this debt, are a hurt both to trade and manufactures, by raising the price as well of the artificer’s subsistence, as of the raw material, and of course, in a much greater proportion, the price of the commodity itself. Secondly, If part of this debt be owing to foreigners, either they draw out of the kingdom annually a considerable quantity of specie for the interest; or else it is made an argument to grant them unreasonable privileges in order to induce them to reside here. Thirdly, If the whole be owing to subjects only, it is then charging the active and industrious subject,  
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TIES; but the very BEING OF THE STATE depends at present on the reduction of our debts.

There is one objection which, probably, has been often offering itself to every reader; and

“ who pays his share of the taxes, to maintain the idle and indolent creditor who receives them. Lastly and principally, It weakens the internal strength of a State, by anticipating those resources which should be reserved to defend it in case of necessity. The interest we now pay for our debts would be nearly sufficient to maintain any war, that any national motives could require. And if our ancestors in King William's time had annually paid, so long as their exigencies lasted, even a less sum than we now annually raise upon their accounts, they would in the time of war have born no greater burdens than they have bequeathed to and settled upon their posterity in time of peace; and might have been eased the instant the exigence was over. — But (besides these inconveniencies) our National Debt and taxes have, in their natural consequences, thrown such a weight of power into the executive scale of government, as we cannot think was intended by our patriot ancestors, who gloriously struggled for the abolition of the then formidable parts of the prerogative, and by an unaccountable want of foresight established this system in their stead. The entire collection and management of so vast a revenue, being placed in the hands of the crown, have given rise to such a multitude of new officers, created by and removeable at the royal pleasure, that they have extended the influence of government to every corner of the nation. Witness the commissioners, and the multitude of dependents on the customs in every port of the kingdom; the commissioners of excise, and their numerous subalterns, in every

and which, tho' I cannot answer it, I must mention. — “ Suppose,” it will be said, “ such a fund established, as has been here “ described;” or, which is the same, “ suppose “ the

“ every inland district; the postmasters and their servants, planted in every town, and upon every public road; the commissioners of the stamps, and their distributors, which are full as scattered and full as numerous; the officers of the salt duty, which, tho' a species of excise and conducted in the same manner, are yet made a distinct corps from the ordinary managers of that revenue; the surveyors of houses and windows; the receivers of the land-tax; the managers of lotteries; and the commissioners of hackney coaches; all which are either mediately or immediately appointed by the crown, and removeable at pleasure without any reason assigned: These, it requires but little penetration to see, must give that power, on which they depend for subsistence, an influence most amazingly extensive. To this may be added the frequent opportunities of conferring particular obligations, by preference in loans, subscriptions, tickets, remittances, and other money transactions, which will greatly increase this influence; and over those persons whose attachment, on account of their wealth, is frequently most desirable. All this is the natural, tho' perhaps the unforeseen, consequence of erecting our funds of credit, and to support them establishing our present perpetual taxes: The whole of which is entirely new since the restoration in 1660, and by far the greatest part since the revolution in 1688. And the same may be said with regard to the officers in our numerous army, and the places which the army has created. All which put together gives the executive power so persuasive an energy with respect to the persons themselves, and so prevailing an interest with their friends and families, as will amply make amends for the loss of external prerogative.

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“ the SINKING FUND restored. What security can be obtained for the faithful and inviolable application of it? ” — Were I to propose, in answer to this enquiry, guarding

“ But tho’ this profusion of offices should have no effect, on individuals, there is still another newly acquired branch of power; and that is, not the influence only, but the force of a disciplined army: paid indeed ultimately by the people, but immediately by the crown, raised by the crown, officered by the crown, commanded by the crown. They are kept on foot it is true only from year to year, and that by the power of Parliament: but during that year they must, by the nature of our constitution, if raised at all, be at the absolute disposal of the crown. And there need but few words to demonstrate, how great a trust is thereby reposed in the prince by his people. A trust, that is more than equivalent to a thousand little troublesome prerogatives. — Add to all this, that, besides the civil list, the immense revenue of seven millions sterling, which is annually paid to the creditors of the public, or carried to the Sinking Fund, is first deposited in the Royal Exchequer, and thence issued out to the respective offices of payment. This revenue the people can never refuse to raise, because it is made perpetual by act of Parliament: which also, when well considered, will appear to be a trust of great delicacy and high importance. — Upon the whole, therefore, I think it is clear, that whatever may have become of the nominal, the real power of the crown has not been too far weakened by any transactions in the last century. Much is indeed given up; but much is also acquired. The stern commands of prerogative have yielded to the milder voice of influence; the slavish and exploded doctrine of non-resistance has given way to a military establishment by law; and to the disuse of parliaments has succeeded a parliamentary trust of an immense perpetual revenue. When, indeed, by the free operations of

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ing the *Sinking Fund*, by pains and penalties; and making all encroachments upon it, no less TREASON than an attempt to kill the

“ the Sinking Fund, our National Debts shall be lessened; when the posture of foreign affairs, and the universal introduction of a well-planned and national militia, will suffer our formidable army to be thinned and regulated; and when (in consequence of all) our taxes shall be gradually reduced: this adventitious power of the crown will slowly and imperceptibly diminish, as it slowly and imperceptibly arose. But till that shall happen, it will be our especial duty, as good subjects and good Englishmen, to reverence the crown, and yet guard against corrupt and servile influence from those who are intrusted with it’s authority; to be loyal, yet free; obedient, and yet independent; and above every thing to hope that we may long, very long, continue to be governed by a sovereign, who in all those public acts that have personally proceeded from himself, hath manifested the highest veneration for the free constitution of Britain; hath already in more than one instance remarkably strengthened it’s outworks; and will therefore never harbour a thought or adopt a persuasion, in any the remotest degree detrimental to public liberty.”

I hope I shall be excused the length of this quotation. It confirms so much of what I have said, and contains an admonition to the kingdom of such moment, that I could not prevail on myself to suppress any part of it. — If any one would know more of the evil of the National Debt, let him consult Mr. HUME’s Essay on this subject, in his Political Essays; and to crown all, let him add the fact above mentioned; or the quick progress it is making towards annihilating us by depopulation. — With respect to this last evil, however, I must acknowledge, that, when united to some of the other evils inseparable from the National Debt, it loses much of its nature. For, when liberty is leaving a kingdom, it becomes of less consequence how soon it is reduced to nothing.

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King; I should be conscious of making a very vain proposal. For such a security would be only the security of law; and this has been already given without effect. *Parliaments* can give no defence against themselves. Nor is there any thing that one Parliament can *do*, which a succeeding Parliament, or even the same Parliament, may not *undo*.—This, however, is an objection which our Statesmen cannot make with any decency; because it implies a confession, that they must not be expected to continue faithful to the public interest.—And if this be indeed true; if a succession of such wise and honest administrations is impossible, as is necessary to execute a plan that requires steadiness of counsel for a course of years; and if, on this account, the kingdom must despair of ever seeing the SINKING FUND permanently and efficaciously restored—then, in the name of justice and humanity, LET IT BE EXPUNGED FROM OUR PUBLIC ACCOUNTS; and let us not be any longer mocked with the SHADOW of an invaluable blessing, once solemnly promised us; but which, it seems, for want of public virtue, we can *never* enjoy.

But it is time to dismiss this subject.

I have written freely the sentiments of my heart; and the public is now left to judge.—With the *desire*, but not with much *hope* of success, I have stepped forth to convey to

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my country an information, which all who will consider it must see to be of great importance. Should it be entirely neglected, the pain I shall feel will not be on my own account. I know I have *meant* to act the part of a good citizen; and I shall return to obscurity and silence, satisfied with this reflexion; and happy in the consciousness of wanting nothing this world can give me.

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# A P P E N D I X.

Note (A). See Page 5.

## T A B L E I.

Shewing the Progress of a Fund of 200,000 *l. per Annum*,  
applied *unalienably* to the Payment of public Debts,  
bearing 5 per cent. Interest.

Yrs.	Produce of the Fund at the be- ginning of every year.	Total of debts paid at the be- ginning of every year.	Yrs.	Produce of the Fund at the be- ginning of every year.	Total of debts paid at the beginning of every year.
	<i>£.</i>	<i>£.</i>		<i>£.</i>	<i>£.</i>
1	200,000 Add 10,000	0.200,000	12	342,068 17,103	3.183,425
2	210,000 Add 10,500	0.410,000	13	359,171 17,959	3.542,596
3	220,500 Add 11,025	0.630,500	14	377,130 18,856	3.919,726
4	231,525 Add 11,576	0.862,025	15 &c.	0.395,986 &c.	4,315,712 &c.
5	243,101 12,155	1.105,126	30 &c.	0.823,227 &c.	13,287,769
6	255,256 12,763	1.360,382	50 &c.	2.184,266 &c.	41,869,600
7	268,019 13,401	1.628,401	70 &c.	5.795,509 &c.	117,705,702
8	281,420 14,071	1.909,821	86	12.650,870 Add 632,543	261,668,284
9	295,491 14,775	2.205,312	87 &c.	13,283,414 &c.	274,951,698
10	310,266 15,513	2.515,578	100	25,047,858	522,005,020
11	325,779 16,289	2.841,357			

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we have made by alienations. But it has appeared that, had there been no alienations, 255 millions would have been paid off. Subtract then, from this sum, 68 millions, and also the present debt, estimated at 140 millions; and the remainder, or 47 millions, will be the SURPLUS, which the public must have been now possessed of, after discharging, not only all the present debts, but likewise, *all the extraordinary expences, including interest monies*, which must have been incurred by avoiding alienations.

Some will probably think, that this surplus ought to be further diminished by the amount of the debts that have been actually paid off. I have supposed these about 20 millions, but let them be 27 millions; and still there will be left a surplus of 20 millions.

In short. Let any one calculate on any suppositions that he may think nearest to the truth; and he will find the losses, occasioned by the diversions which have been made of the *Sinking Fund*, to be at least equal to the whole of our present debts; losses, I must add, which there could be no occasion for incurring; which have had no advantages to balance them; and which I have shewn, in the last part of this pamphlet, to have been brought upon us, in opposition to the authority of an express law.

I have supposed the income of the sinking fund to have been equivalent to 1,200,000*l. per ann.* from the year when it was first established. It is of no particular consequence, whether this supposition is exactly right or not. The probability seems to be, that it falls short of the truth; for it should be remembered, that the *Sinking Fund* has been plundered in more ways than by taking from it gross sums—*ist.* Many savings have been kept from

from it, which should have been brought into it. And 2dly, The income of it has, in many instances, been charged with the payment of the interest of new loans. Had no alienations of any kind been practised, and the intention of the law sacredly observed, its income would have been considerably greater than it has been, and the surplus we should have been now possessed of, after paying all our debts, would have been greater than can well be estimated. What its actual income has been, will appear from the following account.

Medium of the annual produce of the <i>Sinking Fund</i> ,		
from its commencement,		
	£.	
to 1726	— —	0.577,614
From 1727 to 1736, both inclusive		1.132,251
1737 to 1746	— —	1.062,170
1747 to 1756	— —	1.356,578
1757 to 1766	— —	2.059,406

The chief reason of the increase after the years 1726 and 1756, was the reductions of interest which then took place.

Note (C.) See Page 13.

EVERY one who has attended to my reasonings, must see, that when a state borrows to avoid alienating, I always suppose the interests of the sums borrowed to be paid either by a new tax, or by creating some new saving. If the interests of the sums borrowed are taken from the *Sinking Fund*, its efficacy will be as effectually destroyed, as if those sums themselves had been taken from it; the powers of the fund depending entirely on the interests disengaged from time to time being suffered to remain there, in order to carry interest by being employed in paying debts, and consequently in disengaging *farther* interests.

The two following tables will, I hope, explain this sufficiently.

T A B L E

T A B L E II.

Shewing the Progress of *two* Funds; *one* alienated every Year; by taking from it GROSS SUMS equal to its Produce: And the other unalienable.

I.	II.	III.	IV.	V.	VI.
	Annual produce of the Fund.	Debts paid off bearing 4 per cent. interest.	GAIN by ALIENATION, being the totals, to the beginning of every year, of the sums alienated, together with the totals of the interests at 4 per cent. which must have been paid for those sums, had they been borrowed.	GAIN by NON-ALIENATION, being the totals of the debts paid off at the beginning of every year, in consequence of avoiding alienation	BALANCE, at the beginning of every year, in favour of non-alienation, being the excess of the numbers in column V. above those in column IV.
	£.		£.	£.	£.
1	1.000,000	. . . .	1.000,000	1.000,000	0.000,000
2	1.000,000	. . . .	2.040,000	2.040,000	0.000,000
3	1.000,000	. . . .	3.120,000	3.121,600	0.001,600
4	1.000,000	. . . .	4.240,000	4.246,464	0.006,464
5	1.000,000	. . . .	5.400,000	5.416,323	0.016,323
6	1.000,000	. . . .	6.600,000	6.632,975	0.032,975
7	1.000,000	. . . .	7.840,000	7.898,294	0.058,294
8	1.000,000	. . . .	9.120,000	9.214,226	0.094,226
9	1.000,000	. . . .	10.440,000	10.582,795	0.142,795
10	1.000,000	. . . .	11.800,000	12.006,107	0.206,107
&c.					
56	1.000,000	. . . .	117.600,000	199.805,540	82.205,540
70	1.000,000	. . . .	166.600,000	364.290,459	197.690,459
100	1.000,000	. . . .	298.000,000	1237.623,700	939.623,700

T A B L E

T A B L E III.

Shewing the Progress of *two* Funds; *one* alienated every Year, by taking from it the Interests at 4 *per cent.* of gross Sums, equal to its Produce: And the other unalienable.

I.	II.	III.	IV.	V.	VI.
Yrs.	Annual produce of the fund.	DEBTS paid off bearing 4 <i>per cent.</i> interest.	GAIN by the fund to the beginning of every year, being the totals of the sums paid off, together with the totals of the interests taken from the fund to avoid creating new taxes.	GAIN, to the beginning of every year, by non-alienation.	BALANCE at the beginning of every year, in favour of non-alienation, being the difference between the numbers in column IV. and V.
	£.	£.	£.	£.	£.
1	1,000,000	1,000,000	1,000,000	1,000,000	0,000,000
2	1,000,000	1,000,000	2,040,000	2,040,000	0,000,000
3	1,000,000	1,000,000	3,120,000	3,121,600	0,001,600
4	1,000,000	1,000,000	4,240,000	4,246,464	0,006,464
5	1,000,000	1,000,000	5,400,000	5,416,323	0,016,323
6	1,000,000	1,000,000	6,600,000	6,632,975	0,032,975
7	1,000,000	1,000,000	7,840,000	7,898,294	0,058,294
8	1,000,000	1,000,000	9,120,000	9,214,226	0,094,226
9	1,000,000	1,000,000	10,440,000	10,582,795	0,142,795
10	1,000,000	1,000,000	11,800,000	12,006,107	0,206,107
&c.	&c.	&c.	&c.	&c.	&c.
56	1,000,000	1,000,000	117,600,000	199,805,540	82,205,540
&c.	&c.	&c.	&c.	&c.	&c.
70	1,000,000	1,000,000	166,600,000	364,290,459	197,690,459

The numbers in the 5th columns of these Tables, are calculated in the same manner with the numbers in the third columns of Table I. page 55: and the numbers in the *fourth* columns, in the manner explained

plained in page 6. The former numbers exhibit the amount of a million *per ann.* bearing 4 *per cent.* COMPOUND interest; and the latter numbers exhibit the amount of the same annual sum bearing 4 *per cent.* SIMPLE interest. It appears, therefore, undeniably, from these Tables, that the superior efficacy of an *unalienable fund*, depends on the improvement of money in it at compound interest; and that to divert the produce of a fund, appropriated to the payment of debts, in order to avoid making new loans, and providing new savings for paying the interest of those loans, is the very same with taking money from *compound* interest, in order to put it out to *simple* interest.—It appears, likewise, that the losses arising from hence, though at first small, soon become very great; and that, consequently, the reason which has been used to justify this practice, is, indeed, what I have represented it, a DANGEROUS SOPHISM. In no long time, it will probably, if no vigorous measures are soon entered into, cost this nation all the troubles of a public bankruptcy.

It may deserve to be mentioned, that the sums supposed to be borrowed every year in consequence of non-alienation, being balanced by equal sums paid every year; the total of these sums, to the beginning of every year, may be deducted from the sums in the 4th and 5th columns; and there will remain in the 4th column, the produce of all the taxes imposed to pay off the debts in the 5th column.—Thus from 117,600,000*l.* in the 4th column, and also from 199,805,540*l.* in the 5th column, deduct 56 millions, and the remainders will shew, that at the expence of taxes or assessments, all the payments of which would, in 56 years, make 61,600,000*l.* the public would pay off 143,805,540*l.* Or, (which comes to the same)



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fame) that at the expence of taxes, beginning with 40,000*l.* *per ann.* and increasing gradually till the last annual payment became 2,200,000*l.* the public might ease itself, at the end of 56 years, not only of all these extraordinary taxes, but also of *other* taxes to the amount of 5,752,000*l.* —The *Sinking Fund* then, had its income from the first been only a million *per ann.* might, by this time, besides paying off a sum equal to the whole present amount of the national debt, have paid off 56 millions principal money borrowed to avoid alienation; and also, a part of 61,600,000*l.* contributed by the public from time to time to pay the interest of the money borrowed. Has not then alienation been a pernicious measure? Can it be possible, that an enlightened kingdom, with ruin before it as the consequence, should go on with such a measure?

These Tables exhibit only the effects of *constant* alienations. If these are pernicious, *partial* alienations must be also pernicious. In what degree they are so, will appear in the next note.

It is necessary I should observe farther, with respect to these Tables, that the 4th column in Table II. shews exactly the *whole loss* the public would sustain, by borrowing a million annually at 4 *per cent.* including the *whole produce of every tax for paying the interest of every loan*; and column the 5th shews the gain arising from employing that annual sum in the payment of debts bearing the same interest. These Tables, therefore, explain and demonstrate the observations in page 16 and 17.

Were

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Were it indifferent, when any sums are wanted, whether they are procured by new loans charged on new taxes, or by alienating an appropriated fund, the gain by a fund *always* alienated for current services, would be the same, in every period of its progress, with the gain by an equal fund *never* alienated; and consequently the gain by a million spent annually on current services, would (by column 5, Table II.) be equivalent, in a hundred years, to 1237 millions: And the gain by a *penny* spent at our Saviour's birth, equivalent to 150 millions of earths, all solid gold; for to this sum (as observed in page 19.) would a penny, bearing 5 *per cent.* interest, in an unalienable fund, have by this time amounted.

Upon the whole. It is not in my power to imagine more than the following cases, in which alienations can be excusable. 1st. After a fund has operated its full time, it may be right to employ it in defraying the expences of any services that may happen *then* to be necessary. For example. Our *Sinking Fund*, had it been preserved from alienation, would, in the present year, have extinguished all our debts, and given the public the command of an income of at least seven or eight millions *per ann.* And, had a war become now unavoidable, no inconveniences could have arisen from employing this income in bearing the expences of the war. This would have enabled the kingdom to carry it on without making any addition to its incumbrances; and when a peace came, all the perpetual taxes might be abolished: and the establishment of a small new fund, at the commencement of any subsequent war, would be sufficient for ever to keep the public debts within the bounds of safety.

K

Secondly.

( 66 )

Secondly. The alienation of a fund is excusable, when a state cannot borrow money at any rate of simple interest; or, which comes to the same, when no taxes or savings can be procured for paying the interest of new loans, but such as either necessarily *must*, or certainly *would* have been brought into the fund, and improved there at compound interest, whether there had been any new loans or not.—Every one must see, that this is a case which cannot happen while a state has the power of creating taxes or savings, that neither *must*, nor probably *would* have been created, had it not been for the emergency that occasions them.—It may, indeed, be said concerning every tax or saving, created to avoid alienating a fund, that it *might* at that time have been created, and likewise brought into the fund, though the reason for creating it had not existed. But if, though it *might*, it either certainly or probably *would* not, the losses by alienation remain the same.—It is very absurd to assert concerning any measure, that it would have been taken, though the reason for it had not existed. The contrary may be always depended upon. With respect to our own government in particular, we know, that it has never yet, with any permanency, improved money at compound interest. Nor has there been ever a time, when it could have been said with truth, that, had it avoided alienation, the very tax necessary in that case to pay the interest of the sum which must have been borrowed, would have been provided, and made a part of an unalienable fund. But this leads me to mention

Thirdly, That the alienation of a fund would be excusable, were a new tax or saving, producing the interest of the sum alienated, *always* created, and *immediately* brought into the fund, to be improved

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proved there in the same manner with the rest of its produce.—This is, likewise, a case that has never happened in this kingdom, alienations having been practised among us, *on purpose* to avoid new taxes.

It deserves to be here mentioned, that a wise state will, if possible, put even such alienations as these out of the power of the managers of its affairs: for, the facility of obtaining money in this way, might tempt to alienation, when services absolutely necessary did not call for money; and the new taxes necessary to replace the interest of the sums alienated, might often be postponed, or prove deficient; in all which cases, losses would be incurred, and the efficiency of a fund might be so much lessened, as to be rendered useless.

Lastly. Alienations might be justified, were a kingdom got to its utmost limit in taxation, and so far exhausted as to be incapable of making any new savings for paying the interest of new loans. In these circumstances, necessity having no law, it might be right to take from a fund, any sums which the salvation of the kingdom required. But this, likewise, is a case that cannot be our own, till all the reductions possible have been made in the number of places and pensions, in the pay of the great officers of state, and in the collection and expenditure of the revenue.—Perhaps, indeed, we cannot go much further in *taxation*. An addition to an *old* tax, might destroy its own effect by diminishing consumption. The imposition of a *new* tax might also destroy its own effect by clashing with some *old* tax. And the effect of a general *productive* increase of taxes, could it be accomplished, would most probably destroy its own source by accelerating depopulation.—Some think this not to be a very wrong account of our present state

state with respect to taxation. But I hope they are mistaken.

It gives me much concern to be obliged to be so minute and tedious as I have been in this note. But the common and strong prejudices in favour of alienations, and the objections of some very respectable persons, have convinced me, that there is more occasion for this minuteness than I once imagined; and that, though supported by demonstration, I ought not to omit even the argument taken from the authority of those who have writ before me on this subject. It is for this reason, that I have, with great reluctance, crowded this Appendix with the extracts which are to follow the next note.

Note

Note (D). See Page 14.

T A B L E IV.

Shewing the whole Effect, in 56 Years, of a Fund yielding a Million per Ann. appropriated to the Payment of Debts bearing 4 per cent. Interest, but alienated every other Year.

Midsummer.	Produce of the fund at Midsummer every year.	Total of the debts paid from Midsummer, 1717, to the beginning of every year.	Sums alienated every other year.	Expence saved by alienation, being the sum alienated, together with all its interests from the year of alienation, to Midsummer, 1771.
	£.	£.	£.	£.
1717	1.000,000	1.000,000	.....	.....
18	1.040,000	1.000,000	1.040,000	3.244,800
19	1.040,000	2.040,000	.....	.....
20	1.081,600	2.040,000	1.081,600	3.288,064
21	1.081,600	3.121,600	.....	.....
22	1.124,864	3.121,600	1.124,864	3.329,470
23	1.124,864	4.246,464	.....	.....
24	1.169,858	4.246,464	1.169,858	3.369,176
25	1.169,858	5.416,322	.....	.....
26	1.216,652	5.416,322	1.216,652	3.406,622
27	1.216,652	6.632,975	.....	.....
28	1.265,319	6.632,975	1.265,319	3.441,635
29	1.265,319	7.898,294	.....	.....
30	1.315,931	7.898,294	1.315,931	3.474,048
31	1.315,931	9.214,226	.....	.....
32	1.368,569	9.214,226	1.368,569	3.503,507
33	1.368,569	10.582,795	.....	.....
34	1.423,311	10.582,795	1.423,311	3.529,795
35	1.423,311	12.006,107	.....	.....

T A B L E IV. Continued.

Midf.	Produce of the fund at Mid-summer every year.	Total of the debts paid from Mid-summer, 1717, to the beginning of every year.	Sums alienated every other year.	Expence saved by alienation, being the sum alienated, together with all its interests from the year of alienation to Mid-summer 1771.
	£.	£.	£.	£.
1736	1.480,244	12.006,107	1.480,244	3.552,559
37	1.480,244	13.486,351		
38	1.539,454	13.486,351	1.539,454	3.571,528
39	1.539,454	15.025,805		
40	1.601,032	15.025,805	1,601,032	3.586,303
41	1.601,032	16.626,837		
42	1.665,073	16.626,837	1.665,073	3.596,531
43	1.665,073	18.291,911		
44	1.731,676	18.291,911	1.731,676	3.601,885
45	1.731,676	20.023,587		
46	1.800,943	20.023,587	1.800,943	3.601,868
47	1.800,943	21.824,531		
48	1.872,981	21.824,531	1.872,981	3.596,118
49	1.872,981	23.697,512		
50	1.947,900	23.697,512	1.947,900	3.584,136
51	1.947,900	25.645,412		
52	2.025,816	25.645,412	2.025,816	3.565,424
53	2.025,816	27.671,229		
54	2.106,849	27.671,229	2.106,849	3.539,490
55	2.106,849	29.778,078		
56	2.191,123	29.778,078	2.191,123	3.505,783
57	2.191,123	31.969,201		
58	2.278,768	31.969,201	2.278,768	3.463,718
59	2.278,768	34.247,969		
60	2.369,918	34.247,969	2.369,918	3.412,674
61	2.369,918	36.617,988		
62	2.464,715	36.617,988	2.464,715	3.352,007

T A B L E IV. Continued.

Midf.	Produce of the fund at Mid-summer every year.	Total of the debts paid from Mid-summer, 1717, to the beginning of every year.	Sums alienated every other year.	Expence saved by alienation, being the sum alienated, together with all its interests from the year of alienation to Mid-summer, 1771.
	£.	£.	£.	£.
1763	2.464,715	39.082,703		
64	2.563,304	39.082,703	2.563,304	3.281,028
65	2.563,304	41.646,007		
66	2.665,836	41.646,007	2.665,836	3.199,001
67	2.665,836	44.311,844		
68	2.772,469	44.311,844	2.772,469	3.105,163
69	2.772,469	47.094,313		
70	2.883,368	47.094,313	2.883,368	2.998,702
71	2.883,368	49.977,682		

Total of the expences saved by alienation, — — — 92.701,035  
 Add the total of debts paid — — — 49.977,682  
 Whole gain by the fund — — — 142.678,717  
 Gain by the same fund, supposed *unalienable*, being the total of the debts which it would have paid off — — — 199.805,540  
 Deduct the gain with alienation — — — 142.678,717  
 Remains, the uncompensated loss in 56 years, by a fund yielding a million *per ann.* alienated every other year — — — 57.126,823

It

It should not be forgotten, that in this and the preceding Tables, the expences saved by alienation are greatly over-rated for the following reasons.

First. They suppose that not only the principal sums alienated, but all the annual interests of these sums, are so much money saved, which would have been otherwise certainly paid by the public: whereas, there is all the reason possible for believing, that the liberty to alienate encourages profusion; and that, had there been always a necessity for borrowing on new taxes to avoid alienation, more care would have been used in the management of the public finances.

Secondly. They suppose the present value of every annuity to be equal to the number of payments which will be made of it. For instance, An annuity of 41,600*l.* payable for 53 years, as interest at 4 *per cent.* for 1,040,000*l.* is reckoned worth 53 years purchase; or 2,204,800*l.*; which sum added to 1,040,000*l.* makes 3,244,800*l.* the whole expence saved by alienation in the year 1718, according to this Table.

*[Faint, illegible text, likely bleed-through from the reverse side of the page.]*

Note

Note (E). Page 36, 37.

Extract from a Protest in the House of Lords, occasioned by the Alienation of the Sinking Fund in 1733.

Dissentient,

“ **B**ECAUSE the Sinking Fund, being composed of the surplusses of funds originally granted as a security to the creditors of the public; and these surplusses arising principally from a reduction to 4 *per cent.* of the interest granted them for the most part at 6 *per cent.* we cannot but think that this saving ought to be applied, according to the most inviolable rules of equity, and according to the known design, and the repeated and solemn engagements of parliament, to a gradual payment of the principal to these creditors of the public, who have parted with a third of their revenue in this view, and upon this confidence.”

“ **B**ECAUSE we apprehend, that the method of applying large portions of the Sinking Fund to the service of the current year, must, in effect, perpetuate the debts and taxes which lie on the nation, and is, therefore, injurious to the public. Had this whole fund been strictly applied from the beginning to its proper use, we think it may be demonstrated, not only that much more of the national debt might have been discharged, but that those taxes, which are most oppressive to the poor, and most prejudicial to trade, might have been already taken off, since upwards of 480,000*l.* *per ann.* belonging, as

L

“ we

“ we conceive, to this fund, has been applied to other uses.”

“ BECAUSE we conceive, that if the whole produce of the Sinking Fund were not to be applied to the discharge of the public debts, it would be much more for the ease of trade and advantage for the nation, that some of those grievous taxes out of which it arises should cease, than that they should be continued to supply the current service at 4 per cent. which might certainly be supplied by other ways at a cheaper rate. Most of these taxes were laid during the necessity of two long and expensive wars, and were granted only for terms of years, that so the principal and interest of the loans made on them might be paid off in a certain limited time. Thus, the nation consented to pay in some manner a double tax, in order to avoid the long and uncertain continuance of such grievous impositions; and according to the first design, many of them would have been very near the expiration of their term at this hour. The wisdom of parliament, indeed, thought fit afterwards to throw these taxes, and the method of discharging these public debts, into another form, which now subsists. But we cannot conceive that this was done with a view to continue our taxes and debts the longer. On the contrary, we are sure it was done in the view of discharging both the sooner; and it is this very view which, we apprehend, must be fatally disappointed, if the present method of diverting any part of the Sinking Fund from the payment of the public debts be suffered to continue.”

“ BECAUSE we apprehend, that this method may create the utmost uneasiness in the minds  
4 “ of

“ of his Majesty's subjects; and may tend, if not timely prevented by the wisdom and authority of this house, to diminish their affection for his person and government. Hitherto, whilst they have laboured under the weight of taxes, and groaned under the oppression of excise laws, the hope of seeing speedily an end put to both has been their sole consolation. But nothing can maintain this hope, except a due application of the entire Sinking Fund to the discharge of those debts, for the discharge of which these taxes were given. If some parts of this fund, therefore, continue to be mortgaged off, and other parts to be applied to the current service, even in the midst of profound peace, this hope must sink, and despair arise in its stead, &c.  
“ &c.”

*Bedford, Craven, Gainsborough, Winchelsea and Nottingham, Gower, Bridgwater, Bruce, Carteret, Batburst, Shaftsbury, Sunderland, Coventry, Thanet, &c. &c.*

The alienation in the year 1734 occasioned a second protest, and that in 1735, a long debate; but after this, the opposition to alienations declined, till at last it became almost extinct: And the like has happened in some other instances of the greatest consequence to this kingdom.

Extracts from a Pamphlet published in 1726,  
and entitled, *An Essay on the public Debts  
of this Kingdom.* By Sir NATHANAEL  
GOULD, a Bank Director, and Member  
of Parliament. See Page 30, 31, &c.

**A**FTER giving two tables exhibiting the pro-  
gress of a fund yielding a million *per ann.*  
by which the public debts then existing would be  
paid off in 28 years, 75 millions in 35 years and  
4 months, and 100 millions in 40 years, he goes  
on (page 40.) in the following words.

“ From hence it appears, that the above sup-  
“ posed Sinking Fund, in this manner increasing  
“ by the addition of the interest of the principal  
“ sums in every year paid off, and consequently  
“ by additions in every year greater than those  
“ made by it in the year before, will be sufficient,  
“ not only to discharge our present debts, but any  
“ probable addition in the mean time to be made  
“ to them, by farther loans on new-invented  
“ funds, in a few years after the present debts  
“ shall be discharged; and that the time required  
“ for the discharge of our debts, increased by any  
“ addition in this manner made, will by no means  
“ be lengthened out, or the payment of the whole  
“ of our debts by the Sinking Fund retarded, in  
“ proportion to the addition to or increase of the  
“ debt itself; the total payment of our debts be-  
“ coming by no means desperate, from *any* Sink-  
“ ing Fund, however less than that above sup-  
“ posed, upon account of any determined increase  
“ of or additions made to them.—This is so true,  
“ that suppositions about the increase of the pub-  
“ lic debts might be carried to the utmost extra-  
“ vagance,

“ vagance, and still appear to be provided for by  
“ the above-mentioned Sinking Fund.—Nor will  
“ this at all surprize persons who have been ac-  
“ customed to attend to the increase of money  
“ put out to compound interest, or quantities  
“ continued in geometrical progression; an en-  
“ quiry into which will remove all doubts about  
“ the truth of what I have advanced. It would,  
“ however, be true, that if at any time, on the  
“ discharge of any part of the principal of the  
“ present debt, the interest were not added to and  
“ applied in the farther discharge of the remaining  
“ debt, but another equal or greater principal  
“ sum should be borrowed on the same annuity,  
“ the progress of the Sinking Fund would by such  
“ measures, if the same sum were borrowed, be  
“ stopped, and, if a greater, be put backwards.  
“ But as long as these measures are not taken, or  
“ the Sinking Fund diverted or applied to any  
“ other purpose than the discharge of our debts,  
“ the full and effectual payment of all our debts  
“ by this expedient, is by no means to be de-  
“ spaired of, from the increase of them by new  
“ loans on farther duties.—And that the Sink-  
“ ing Fund will from time to time be applied to  
“ the discharge of the public debts, and not be  
“ diverted or applied to any other purpose what-  
“ ever, is what, I think, we may promise ourselves  
“ from considering, that the aforesaid fund has  
“ been appropriated to that purpose by the legi-  
“ slature, and our public faith in the same manner  
“ engaged to the creditors of the government,  
“ that the surplus of the aforesaid duties should be  
“ applied to the discharge of the *principal* of these  
“ debts, as the funds themselves to the payment  
“ of the *interest* or annuities contracted for. Which  
“ faith of the public in this manner engaged, I  
“ think, we have all the reason in the world to  
“ believe,

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“ believe, will be as inviolably observed in this,  
 “ as in any other part of this contract with the  
 “ proprietors of the public debts.”

Page 44. “ Nor can this provision be well  
 “ understood, as made by the government for  
 “ what appeared for public convenience only, and  
 “ consequently to be altered by subsequent acts,  
 “ whenever it shall appear or be pretended to be  
 “ otherwise; but must, I think, be considered as  
 “ a contract by the government with the public  
 “ creditors, if the occasion of the acts of parlia-  
 “ ment which established the Sinking Fund be at-  
 “ tended to. In which case it will appear, that  
 “ the several provisions by these acts made, were  
 “ enacted and proposed to the creditors, as in-  
 “ ducements to them to accept of an annuity or  
 “ interest for their debts, by one 6th part less  
 “ than that which till that time they had received;  
 “ to which the most obvious inducement was, that  
 “ what was thus deducted from the yearly interest  
 “ of their debts, should be applied for the better  
 “ securing and gradual discharge of the principal  
 “ of the said debts: To which security, among  
 “ the other benefits by the same act of parliament  
 “ proposed to them, they must, I think, be con-  
 “ sidered to have entitled themselves, by their  
 “ subscriptions afterwards made subsequent to, and  
 “ in consideration of, such proposals made to them  
 “ by the legislature. And whoever will be at the  
 “ trouble of turning over the several subsequent  
 “ acts of parliament, relating to the public debts,  
 “ will find this provision for the application of  
 “ the Sinking Fund frequently repeated and con-  
 “ firmed. And in cases where, by act of parlia-  
 “ ment, application of monies in the Sinking  
 “ Fund, to the discharge of debts, that were less  
 “ obviously or less generally known, to have been  
 “ within

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“ within the description of the debts intended by  
 “ the provision above recited; such debts have  
 “ been, by the recitals, declared and explained  
 “ to have been debts incurred before the 25th of  
 “ *December, 1716*, and provided for by parliament,  
 “ in a manner, that has plainly intimated it to be  
 “ understood by the legislature, that the above-  
 “ recited provision was an engagement or contract  
 “ of the government with the public creditors,  
 “ about the punctual observation of which from  
 “ time to time, they were entitled to have all pos-  
 “ sible satisfaction: Or at least, that the punctual  
 “ application of the abovementioned surplusses to  
 “ the discharge of our present debts, was regarded  
 “ by them as a matter of the highest consequence  
 “ to the public welfare. And as long as the pub-  
 “ lic welfare shall be in the least regarded, and  
 “ this continues to be the *only expedient* for remov-  
 “ ing such heavy incumbrances on our affairs, and  
 “ redeeming so considerable a revenue to the use  
 “ of the public; I think we may confidently ex-  
 “ pect, that no person whatever, into whose hands  
 “ the administration of our affairs may at any time  
 “ for the future be committed, can ever be in-  
 “ duced to approve or recommend the application  
 “ of the produce of the Sinking Fund, *in any pos-  
 “ sible exigence of our affairs*, to any other uses than  
 “ those to which it stands now appropriated,  
 “ though there were no other considerations to  
 “ enforce it. For let us enquire a little, what  
 “ public exigencies can be supposed to happen,  
 “ that can make it at any time advisable to divert  
 “ or apply the produce of the Sinking Fund to  
 “ any other purpose, till after the entire payment  
 “ of our public debts. Let the expence that the  
 “ circumstances of our affairs may render at any  
 “ time necessary, be ever so much more than can  
 “ be



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“ be conveniently raised within the year; it must,  
 “ I think, always appear more eligible in regard  
 “ to the public interest, to raise what shall be  
 “ farther wanted, by increasing the public debts  
 “ with farther loans upon interest provided for  
 “ by new duties, than to supply the same sums in  
 “ any way from the produce of the Sinking Fund.  
 “ The computation I have last made, was to  
 “ shew, that the time in which the above supposed  
 “ Sinking Fund of 1,000,000*l.* will be sufficient  
 “ to complete the discharge of the public debts,  
 “ will by no means increase equally to the increase  
 “ of the principal sum of those debts by farther  
 “ loans on new funds. But it may be of farther  
 “ use to shew, how much less the increase of the  
 “ public debts, by borrowing farther sums at in-  
 “ terest provided for by new funds, will retard the  
 “ discharge of the *whole* of the public debts, than  
 “ the supplying the same sums in any way from the  
 “ produce of the Sinking Fund would do. Let us  
 “ suppose, for instance, that the government was  
 “ obliged, for 25 years together, to increase the  
 “ present debt by a million borrowed every year at  
 “ an interest of 4 *per cent.* provided for by farther  
 “ funds. The above-made computation will shew,  
 “ that that additional debt of 25 millions would  
 “ be paid off by a Sinking Fund of one million in  
 “ little more than seven years, after the discharge  
 “ of the present 50 millions. But if the same  
 “ sum were to be supplied out of the produce of  
 “ the Sinking Fund, it is obvious, that the pay-  
 “ ment of the public debts must stand still for 25  
 “ years, and be, by more than two thirds of that  
 “ time, retarded beyond the time in which they  
 “ would otherwise be discharged, though increased  
 “ as aforesaid. And the greater the sum is sup-  
 “ posed to be, that in these different ways is to  
 “ be

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“ be supplied, the greater will be the proportion  
 “ in which the payment of our debts will be de-  
 “ layed, by supplying such expence from the  
 “ Sinking Fund rather than in any other way.  
 “ Or if the sums, in these different ways supplied,  
 “ should be supposed less, the difference of the  
 “ delay in these two cases will be indeed less.  
 “ But, on supposition of the smallest sums to be  
 “ these two different ways supplied, the delay  
 “ arising to the discharge of the public debts by  
 “ this misapplication of the Sinking Fund, will be  
 “ at least three times as great as that which will  
 “ be occasioned by increasing the public debts in  
 “ the other method. — The borrowing money on  
 “ the income of the Sinking Fund in any form,  
 “ if no more were in any one year borrowed, than  
 “ what had been by the Sinking Fund the year  
 “ before paid off; and if that money be supposed  
 “ to be borrowed at the same rate of interest, that  
 “ was payable for the debt before paid off, will  
 “ have the same effect in delaying the payment of  
 “ the public debts, as the misapplication of the re-  
 “ venue of the Sinking Fund the year before  
 “ would have had. But if greater sums be at any  
 “ time borrowed on that fund, the payment of  
 “ the public debts will not only be stopped, but  
 “ put backwards; and that in a manner that ob-  
 “ viously leads not only to delay the payment of  
 “ the public debts, but the taking away entirely  
 “ the only security yet provided that they shall be  
 “ ever paid off. For which reason, I shall not  
 “ enter into any computation of the different de-  
 “ grees in which different steps in pursuing these  
 “ measures will affect us, but at once suppose it  
 “ IMPOSSIBLE, that any persons can propose to bor-  
 “ row money (or much less to succeed in it) on  
 “ the credit of schemes, that themselves destroy  
 M “ all

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“ all probability of the repayment of it, which  
 “ such measures as these must evidently appear to  
 “ do.—I cannot, therefore, among the ordinary  
 “ vicissitudes of the affairs of any nation, not even  
 “ among any long and expensive wars, find out  
 “ that exigence of our affairs, that can make the  
 “ misapplication of the Sinking Fund appear ne-  
 “ cessary or probable to be put in practice; while  
 “ it is so certain that the lands, estates, expence,  
 “ or commerce of *Great-Britain*, will yet easily  
 “ admit of farther duties sufficient to furnish new  
 “ funds to answer the interest of such sums as any  
 “ public occasions can call for. Nor can I fear,  
 “ that such duties will not be chearfully voted and  
 “ submitted to, when they shall appear necessary  
 “ to prevent the misapplication of an annual sum,  
 “ employed in so useful and necessary a service to  
 “ the public as the reduction of our debts, while  
 “ that appears to be retarded so much more by  
 “ discontinuing the payment of these debts, than  
 “ by the increase of them.”

Page 65. “ In order to preserve our liberty  
 “ and safety, it requires our utmost care to  
 “ prevent the unnecessary increase of our debts,  
 “ and to promote, as much as possible, the  
 “ reduction of them: A matter of that conse-  
 “ quence to this kingdom, that, if I should ever  
 “ see it neglected, no consideration in nature  
 “ could restrain me from exposing it. On such an  
 “ occasion I should think,

*Fas mihi graiorum sacrata resolvere jura,  
 Fas odisse viros, atque omnia ferre sub auras.”*

The following words in a defence of this *Essay*,  
 by the same writer, are particularly suitable to  
 my own case.

5

“ As

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“ As to what I have advanced, that it is more  
 “ eligible to raise what money may be farther  
 “ wanted, by increasing the public debts with far-  
 “ ther loans upon interest provided for by new  
 “ duties, than to supply the same sums from the  
 “ Sinking Fund; it is a truth of public conse-  
 “ quence to be attended to, and what I have,  
 “ therefore, explained and proved to be a truth:  
 “ And it must outlive all the pleasantries that  
 “ have been excited by it. Nor can I think, that  
 “ there can be any great difficulty in understand-  
 “ ing it.—I have not in any part of my *Essay*,  
 “ recommended an addition to our debts, but  
 “ upon an occasion, when it would be absolutely  
 “ necessary to prevent the misapplication of the  
 “ Sinking Fund. And if the interests of this  
 “ kingdom in these different measures, upon any  
 “ such occasion, was not before generally attended  
 “ to or understood, I have so much the greater  
 “ reason to be satisfied in having recommended it  
 “ to the public notice.”

Mr. SMART, at the end of his tables of interest,  
 has given the same account of the Sinking Fund,  
 with that contained in these extracts. See page 32.  
 Mr. POSTLETHWAYT also, in his dictionary, under  
 the articles, *public credit, debts, funds, &c.* has made  
 many of the same observations; and insisted parti-  
 cularly on the evil of alienating the Sinking Fund,  
 in order to avoid borrowing. It has appeared far-  
 ther, in page 28, 29, that this was for some years  
 so well known to our governors, that they even  
 practised upon it. They soon, indeed, changed  
 their conduct, but not in consequence of obtaining  
 new light.

It has been lately urged to me, that all taxes for  
 paying the interest of sums borrowed to avoid alie-  
 nation, *might* be brought to the fund, and there im-

M 2

proved

proved in paying debts at compound interest, in the same manner with the interest of any sums that can be taken from the fund. This is undoubtedly true; and the proper inference from it is, that were this done; that is, were new taxes or annuities, equal to the interest of the sums alienated, always brought into the fund, there would be no harm in alienation. But the inference which has been drawn from hence is, that alienations can do no harm when this is *not* done; and, particularly, when made on purpose, as ours have been, to avoid creating new taxes. See page 67. It is extremely irksome to me to be obliged to take notice of such objections. The truth is, that this would not be properly alienation. It would be only *taking* with one hand, and *giving* as much with the other. For, in this case, if necessary services call for money, replacing the *interest* of the sum alienated is, to all intents and purposes, the same with replacing the *sum itself*.

Extract

Extract from the Supplement to a Treatise, entitled, *Observations on Reversionary Payments, &c.* Page 361, 362.

“ D. R. DAVENANT says, that at Michaelmas, “ in the year 1685, it appeared, by a survey of the hearth-books, that the number of “ houses in all ENGLAND and WALES was “ 1,300,000, of which 554,631, were houses of “ only one chimney. Dr. *Davenant's* works, Vol. II. “ Page 203.—In his Essay on *Ways and Means, &c.* “ Vol. I. Page 33. he gives a particular account of the number of houses and hearths in “ every county, according to the *hearth-books* of “ Lady-Day, 1690; and the sum total then was “ 1,319,215.—At the Restoration it appeared “ by the same hearth-books, that the number of “ houses in the kingdom was 1,230,000. Continuation of *Rapin*. Vol. I. Page 53.—In the “ interval, therefore, between the Restoration and “ the Revolution, the people of *England* had increased above 300,000; and of *smaller tenements*, “ Dr. *Davenant* observes, there had been, from “ 1666 to 1688, about 70,000 new foundations “ laid. Dr. *Davenant's* Works, Vol. I. Page 370. “ But what a melancholy change has taken place “ since?—In 1759, the number of houses in “ ENGLAND and WALES was 986,482; of which, “ not more than 330,000 were houses having less “ than seven windows.—In 1766, notwithstanding the increase of buildings in *London*, the “ number of houses was reduced to 980,692.— “ According to these accounts then, our people “ have, since the year 1690, decreased near a “ million

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“ million and a half. And the waste has fallen  
“ principally on the inhabitants of cottages.”

The particulars of the general return in 1759,  
were,

Houses inhabited, in charge	—	679,149
Houses uninhabited, chargeable	—	24,904
Cottages discharged for poverty only (a)		282,429
Total		<u>986,482</u>

These particulars were in 1766,

Houses inhabited, in charge	—	678,915
Houses uninhabited, chargeable	—	25,628
Cottages discharged for poverty only		276,149
Total		<u>980,692</u>

Dr. *Davenant's* account (b), mentioned in this  
extract, may, I believe, be depended upon; and it  
is

(a) It is remarkable in these accounts, that the reduction in  
the number of houses from the year 1759 to 1766, was confined  
entirely to the cottages.

Dr. BRAKENRIDGE tells us, (in *Philosophical Transactions*,  
Vol. 49, p. 270, and p. 887.) that, in 1710, the number of houses  
in ENGLAND and WALES, exclusive of cottages, (and probably  
also of chargeable houses uninhabited) was found, by a par-  
ticular survey in order to an assessment, to be 729,048.—I  
cannot say what regard is due to this account; but could it be  
relied on, it would furnish a fact of some consequence on the  
present subject.—Dr. BRAKENRIDGE has supposed the number  
of cottages at this time to be no more than 182,262. But as they  
were 276,149, in 1766; and 282,429, in 1759; and 554,631,  
in 1685; they may, with much more reason, be reckoned  
to have been in 1710, at least 400,000; and this will make the  
whole number of houses then in the kingdom as much less  
than they had been, and as much more than they are now, as  
there would be reason to expect on the supposition of such a  
depopulation as I have mentioned.

(b) Some have suspected, that this account is no more than  
the result of a calculation, made by Dr. *Davenant* from the  
number

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is probable, that the other accounts are but too  
exact. If there is any room for doubt, it may be  
removed, with little expence or trouble, by an order  
to the collectors of the house and window duties  
to make more careful returns. This would help  
to decide a point of great consequence; and the  
legislature will, I hope, some time or other think it  
an object worthy of attention.

The account of *Norfolk*, in the following paper,  
contains a farther mortifying proof, that depopula-  
tion has for many years been going on among us.  
I have received it from a gentleman of distinguished  
character and abilities, who is well acquainted with  
the state of *Norfolk*, and the adjoining counties;  
and who has much obliged and honoured me, by  
giving me leave to publish it.

“ I For many years believed the prevailing opi-  
“ nion to be true; namely, that the number of  
“ the inhabitants of this island had been generally  
“ at least, if not uniformly, increasing, in all parts  
“ of it from the conquest.  
“ But farther observation has occasioned me to  
“ think, that I have rather taken the fact for  
“ granted, than built it on any evidence; except

number of *hearths*;—But, First, Had this been true, he would  
have given some intimation of it.—Secondly, In this account  
the number of *houses* and *hearths* in every county is specified,  
and the houses which had only one hearth distinguished from  
the rest; and these are particulars which no one could think  
of determining, by any calculation from the number of hearths  
only.

In Mr. HOUGHTON's *Husbandry*, published in weekly pa-  
pers in 1693, the number of houses then in the kingdom, is  
made to be 1,175,951. But it is not said how this account  
was obtained. It is given in a work of little credit, and among  
other accounts that are too vague and conjectural; and, there-  
fore, in my opinion, is by no means of equal authority to  
Dr. *Davenant's* more particular account.

“ the

“ the proof furnished by the palpable increase of  
“ the inhabitants of many of our towns.

“ And when I have considered, that all the  
“ towns that can be called great towns, do not,  
“ probably, together contain one fourth part of the  
“ people of the island, I have seen the necessity of  
“ adverting more than I had before done, to the  
“ state of population in the market-towns and vil-  
“ lages, in former times.

“ It has happened to me in the course of many  
“ years observation, to have seen reason, in many  
“ cases, to conclude, and in many others to con-  
“ jecture, upon various foundations, that in the  
“ counties of *Norfolk*, *Suffolk*, and *Essex*, (those  
“ I am best acquainted with) the market-towns and  
“ villages have, in general, fewer inhabitants than  
“ they respectively had at (a) some former period.

“ In the county of *Norfolk* I know but one  
“ town or village, great or small, that is evidently  
“ now better peopled, than at any time heretofore ;  
“ it is the little sea-port of *Wells*. I do not say  
“ there is no other, it is probable there may be  
“ more than one besides ; but I am not acquainted  
“ with any such. I am willing, particularly, to  
“ suppose *Norwich* may now too contain a more  
“ numerous body of citizens, than it did in former  
“ times ; yet, not to mention that it is universally  
“ believed to have suffered the loss of some thou-  
“ sands lately, if we give any degree of credit  
“ (even with large allowances for exaggeration) to  
“ general history, and the city muniments, that city  
“ must once have been abundantly fuller of people :

(a) The writer of these observations carries his views as far  
back as the *Reformation* ; and it was about this period he thinks  
the depopulation he has described chiefly begun. Nor is he  
convinced that it has been nearly so great since the *Revolution*,  
as the decrease in the number of houses, according to the re-  
turns in 1759 and 1766, seems to imply.

“ as

“ as it is related to have lost more than 50,000  
“ people in one year by the plague (a).

“ *Lynn* has the appearance of a town formerly  
“ more flourishing ; and *Thetford* hardly preserves  
“ any appearance at all. But passing by these  
“ towns, there are more than 600 county parishes  
“ in *Norfolk*. It is well known, and admitted,  
“ churches were in a degree, in popish times, the  
“ works of ostentation rather than necessity ; cer-  
“ tainly a church was often built, though some  
“ neighbouring church might have held the pa-  
“ rishioners of both ; but it is incredible that a  
“ spacious building, sometimes with three isles,  
“ should have been built to hold a single family,  
“ or even 2 or 3 ; more incredible, that many of  
“ these, soon after the Reformation, should have  
“ been furnished with seats sufficient for a hun-  
“ dred people, often more ; or, in short, that any  
“ parish should have been inhabited by one, two,  
“ or even ten families only. Yet we have twenty  
“ or thirty parishes, consisting now of one family,  
“ and for ought I know, an hundred of less than  
“ ten.

“ But, without resting upon probability, many of  
“ those parishes, now almost depopulated, appear,  
“ by incontestable evidence, to have had, one or  
“ two centuries ago, some two or three hundred  
“ communicants, some two or three hundred  
“ houses, and most of them twenty, thirty, or  
“ fifty houses ; these houses are, many of them, still  
“ to be seen in ruins, and the rest appear in maps,  
“ ancient deeds, &c. which are confirmed by old  
“ wells and other vestigia.

(a) The annual medium of burials at *Norwich* for ten  
years, from 1739 to 1749, was

from 1739 to 1749, was	—	—	1220
from 1749 to 1759	—	—	1241
from 1759 to 1769	—	—	1154

N “ In

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“ In many of the parishes of *Norfolk*, there have  
 “ been heretofore more manor-houses, than there  
 “ are now dwellings of all sorts; in the most popu-  
 “ lous of them, more copyhold-houses, exclusive  
 “ of those of freehold tenure: these facts appear  
 “ by court rolls.

“ In most of them, a less obvious, yet not less  
 “ convincing proof of former population, arises  
 “ from the many hundreds, sometimes thousands  
 “ of proper names, distinguishing fields, inclo-  
 “ sures, roads, remarkable trees, gate-ways, foot-  
 “ paths, that have formerly been known and pre-  
 “ served, yet now almost universally forgot; nay,  
 “ the existence of many of these roads and foot-  
 “ paths, to a careful observer, frequently proves  
 “ the former great population, as in the present  
 “ condition of the place they are altogether need-  
 “ less.

“ If all these observations are applicable, more  
 “ or less, to the inland part of the county, they  
 “ are much more so to the sea coast; the villages  
 “ situated upon which and within four or five  
 “ miles of it, especially those which seem for-  
 “ merly to have been rather small towns, are all  
 “ so many scenes of desolation.

“ I am aware it may be said, that in case towns  
 “ have decayed in one place, they have improved  
 “ in another; if small farm-houses and cottages  
 “ have been suffered to decay, many fair and large  
 “ farm-houses have been erected in their room;  
 “ that upon the sea-coast, *Wells* has run away with  
 “ the trade of nine or ten small towns, and that it  
 “ exports five times as much corn as all those now  
 “ smaller towns did an hundred years ago; that  
 “ husbandry is greatly improved all over the  
 “ county, and that though there is more wheat  
 “ consumed in it than in any former time, it yet  
 “ exports an amazing quantity every year.

“ All

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“ All this is true, and yet does not any way  
 “ diminish the force of my reasons for believing  
 “ the county depopulated.

“ Many more acres of land are brought under  
 “ tillage in the western part of the county, and  
 “ the art of husbandry is much improved in every  
 “ part of it; the quantity of grain produced from  
 “ an acre, is increased; and though the use of  
 “ wheat is much more general among the poor,  
 “ yet their number being diminished, as well as  
 “ the quantity grown increased, there rests a great  
 “ deal for exportation to *London* and to foreign  
 “ countries.

“ Heretofore an hundred small farms produced  
 “ little more than enough to keep the farmer, his  
 “ family, and servants; the residue supplied the  
 “ neighbouring market-towns; a very small part  
 “ of the produce of agriculture found its way out  
 “ of the county: except lambs and wool, the ex-  
 “ portation was little but wax, honey, and saffron.  
 “ Money was, therefore, collected to pay the taxes  
 “ with difficulty.

“ It is a false and vulgar notion, that small  
 “ farms tend to make provisions cheap; they  
 “ bring little to market; whereas the great farms  
 “ consume very little in proportion to what they  
 “ bring to market: great towns can only be sup-  
 “ plied with the quantity of wheat-flour now con-  
 “ sumed, from large farms. The charge of com-  
 “ bination is absurd, and, for the most part, is  
 “ not made by those who are fools enough to be-  
 “ lieve it possible; but by those who happen to be  
 “ interested for the present to keep down the price  
 “ of corn.

“ But though the great farms, far from advanc-  
 “ ing the price of provisions, (except in the articles  
 “ of poultry, &c.) tend to lower them, they are  
 “ not in all respects beneficial to a country. *Wells*  
 “ exports

N 2

“ exports five times as much corn, as all the small  
 “ port-towns now in ruins, but it does not breed  
 “ half the children, perhaps not one tenth. Again,  
 “ within land, five small farm-houses, and twenty  
 “ cottages, lie in ruins; one handsome farm-house  
 “ is built in their room, and undoubtedly makes  
 “ a better figure, yet often contains but one breed-  
 “ ing woman, and sometimes not one.

“ This brings me to what I suppose the cause  
 “ of the depopulation I have observed.

“ Mankind seldom grow thin in any country,  
 “ through the defect of the natural powers of pro-  
 “ creation; these powers, almost all over the world,  
 “ far out-run the business of keeping up the stock,  
 “ and are even capable, when not obstructed, of  
 “ making a very rapid increase of the species.

“ Neither is this stock apt to diminish by pes-  
 “ tilence, sword, or famine, while the powers of  
 “ propagation have their full effect (by which I  
 “ mean, the breeding up as well as producing the  
 “ children); they presently stop the gaps made by  
 “ the severest devastations; nay, providence has  
 “ so contrived it, that most of these afflictions have  
 “ a natural tendency to encourage the propagation  
 “ necessary to cure their effect. But the manners  
 “ and political circumstances of a people, as on  
 “ one hand they are capable of giving the most  
 “ powerful aids; so on the other, they may dry  
 “ up, more or less, the very sources of human  
 “ life.

“ In the most refined state of civilization, few  
 “ children are produced and brought up by the  
 “ highest and lowest classes of mankind. The least  
 “ attention to subjects of this kind, convinces  
 “ every observer of the truth of this proposition.  
 “ In proportion, therefore, as luxury increases,  
 “ and civilization grows greater, the *vis propagandi*  
 “ (if I may so call it) decreases; and if with this

“ increase of civilization, the individuals of these  
 “ classes increase in number, the mischief is so  
 “ much greater.

“ Heretofore, a *Hundred* in *Norfolk* might pro-  
 “ bably be inhabited by twenty country gentle-  
 “ men, who came seldom to *London*, twenty to thirty  
 “ clergymen, two hundred yeomen, two hundred  
 “ small farmers of some substance, a thousand la-  
 “ bouring men, of whom half of them owned  
 “ their own cottages, besides that the greater  
 “ part of the remainder were in hopes of, some  
 “ time or other, becoming the owners of what it  
 “ was common to see labouring men owners of,  
 “ by industry and frugality; and besides these,  
 “ there might be from fifty to an hundred trades-  
 “ men of various sorts, smiths, wheelwrights, lit-  
 “ tle shop-keepers, &c. most of whom had some  
 “ sort of property. Except that these last are not  
 “ so often the owners of their own houses, perhaps  
 “ in other respects their property may be the  
 “ same. But for the rest:

“ The gentlemen are reduced to three or four  
 “ in a *hundred*, (often to none) of whom the  
 “ greater part resort to *London* occasionally, and  
 “ there acquire a disposition for expence and ce-  
 “ libacy. The clergy are much less numerous,  
 “ two, three, four, and even five parishes being  
 “ sometimes consolidated and united. Of the four  
 “ hundred yeomen and small farmers, scarce fifty  
 “ are left, and most of them distressed, unable to  
 “ live at the high price they pay for what they  
 “ buy, and the comparative low prices they sell  
 “ at. So that a great part of this class are in a  
 “ state of dependency, and frequently given up  
 “ to drunkenness. The great farmers too often  
 “ copy the vices of the gentry. And of the  
 “ thousand labouring men, five hundred are ex-  
 “ tinct; and of the remainder, not fifty have any  
 “ pro-

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“ property ; and of the others, not ten have in-  
 “ dustry and frugality enough to encourage them  
 “ to *hope* for property ; besides that landed pro-  
 “ perty has got into so few hands, that it is hardly  
 “ to be hoped for, if they had a disposition to  
 “ aim at it. Most of these latter are, therefore,  
 “ in a habit of living only from hand to mouth ;  
 “ and the few that still remain possessed of pro-  
 “ perty, are so tainted by their example, that  
 “ most of them only spend at the alehouse what  
 “ they would otherwise pay for rent : Whereas  
 “ formerly the desire of preserving in some, and of  
 “ acquiring in others, that property which was  
 “ common among all the inhabitants of the county,  
 “ induced habits of industry and frugality, the  
 “ most favourable to marriage, the breeding up  
 “ children, and setting them forward in the world  
 “ with the like dispositions.

“ It is true, a great part of the poor wretches  
 “ that are now called labouring men, do marry ;  
 “ their children are generally numerous ; but po-  
 “ verty and vice carries most of them off ; the ra-  
 “ ther, because, though the county affords subsist-  
 “ ence, it does not afford constant employment for  
 “ them ; consequently, they cannot purchase the  
 “ subsistence necessary for themselves and fami-  
 “ lies, there not existing now that mode of life,  
 “ in which many thousands did little towards the  
 “ benefit of the community, but to support them-  
 “ selves, and breed children. Occasional supplies of  
 “ *Scotch* and others, give their aid, when it is oc-  
 “ casionally wanted, in harvest ; and the only con-  
 “ stant employment (weaving) failing by degrees,  
 “ in a short time there will probably be but few  
 “ left, besides those necessary to till the ground in  
 “ the expeditious way it is now tilled.

“ After all, perhaps their ancestors were less in-  
 “ dustrious than themselves, yet they were more  
 “ frugal,

( 95 )

“ frugal, and less licentious and debauched ; they  
 “ were, therefore, able with the employment they  
 “ had, however little, to bring up their families,  
 “ aided as they were by the low price of many of  
 “ the necessaries of life ; and as they sold but little,  
 “ the price of the rest was of little importance to  
 “ them.

“ How far this state of things in one county,  
 “ may be similar to that in others, I will not take  
 “ on myself to decide. I know some counties are  
 “ improved both in industry and numbers ; but  
 “ thus much I will venture ; I know it applies to  
 “ great parts of *Suffolk* and *Essex*, and to some  
 “ parts of the west of the kingdom ; and *Norfolk*  
 “ in its present state, is certainly more populous  
 “ than most parts of the kingdom. For this pur-  
 “ pose it is sufficient to appeal to the militia acts,  
 “ and the lists in each county, from which these  
 “ acts have been executed.”

The following observations, written by the same  
 able hand, are, in my opinion, particularly judi-  
 cious.

“ It seems a true proposition, though a morti-  
 “ fying one, that a long and vigorous exertion of  
 “ commercial and military powers, however they  
 “ may contribute to the glory of a nation, has a  
 “ tendency to wear out its people. There is a  
 “ certain degree of rest necessary to bodies politic,  
 “ as well as natural. Long foreign wars, an ex-  
 “ pensive domestic government, high taxes in  
 “ consequence of both, luxurious manners, and  
 “ general commerce, have concurred to diminish  
 “ the number of our people, by making it difficult  
 “ for any man to live without industry ; and almost  
 “ impossible for a man without property to subsist a  
 “ large family at all.—Formerly a great part of  
 “ the inhabitants of the kingdom had no occasion

“ to



" to buy much of the necessaries of life. Land  
 " was in a greater number of hands. Its produce  
 " supported many thousands of families without  
 " being exposed to sale. Many thousands sub-  
 " sisted on the waste of great families, who resided  
 " constantly in the country; before the Reform-  
 " ation, on that of monasteries. Any man might  
 " live in a great measure idly without vice, either  
 " on his own estate, or that of another. A small  
 " part of all country produce being brought to  
 " market, in comparison of what is now brought,  
 " a large family in a country village might be  
 " supported with little difficulty.—But now al-  
 " most every article of subsistence is brought to  
 " market. Few of the lower people have pro-  
 " perty. They must buy what they want or steal  
 " it, for little is given away. Even a single man  
 " must work, and the public avails itself of his la-  
 " bour, which it could not do in the former state  
 " of things, against his inclinations; for he could  
 " subsist with little or no labour, if he preferred  
 " the so doing.—If any thing could compensate  
 " for the loss of inhabitants, in other respects  
 " the situation of the community is certainly  
 " mended; for it is by the general labour of all  
 " that taxes are raised, and the splendor and de-  
 " fence of the state, as well as the ease of men of  
 " property supported. We must not, therefore,  
 " repine at the mischief that is inseparable from  
 " the benefit, unless we are willing to part with  
 " the benefit. The political as well as physical  
 " world, is composed of an intimate mixture of  
 " good and evil, which wisdom can seldom sepa-  
 " rate, though it may often chuse between the  
 " mixtures, always submitting to the evil that is  
 " not to be divided from the good it attends,  
 " though perhaps it may be mitigated.—Labour

" will

" will never be universal but by universal compul-  
 " sion; but the universal compulsion that reaches  
 " the single man, will prevent any man from sub-  
 " sisting a large family: because it can only be the  
 " effect of a high price of provisions (a); and is,  
 " therefore, incompatible with the increase of the  
 " species."

(a) " I do not take it, that provisions are properly to be said  
 " to be so high as when the kingdom was more populous; but  
 " it must be remembered, that towns, which were then only  
 " affected by the price of provisions, contained a much smaller  
 " proportion of the inhabitants of the kingdom than they now  
 " do; and that in the country a great part of the people  
 " bought little, while the prices of manufactures and profits  
 " of trade (the produce of towns) were much higher than  
 " now."

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