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S P E E C H

OF

PHILIP FRANCIS, Esq.

IN THE

HOUSE OF COMMONS,

On FRIDAY, FEBRUARY 26, 1796,

ON THE MOTION,

“ That it appears to this House, that the Principle of making Loans for the public Service, by free and open Competition, uniformly professed by the Chancellor of the Exchequer, has been very generally recognised, as affording the fairest Prospect of public Advantage.”

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LONDON:

Printed for J. DEBRETT, opposite Burlington House, Piccadilly.

1796.

## S P E E C H

OF

PHILIP FRANCIS, Esq.

&amp;c. &amp;c.

HOUSE OF COMMONS,

*Friday, 26th February, 1796.*

Mr. FRANCIS said that, altho' he was but little prepared and not at all inclined to enter far into the debate, and tho' he was full of impatience and curiosity to know what the Chancellor of the Exchequer had to say *for himself*, or whether he would be content to rest his defence on the ground taken, and trust it to the arguments used by the learned gentleman, nevertheless there were some passages in that gentleman's speech, of which he thought himself bound not only as a Member of Parliament, but especially as a diligent if not very active Member of the Committee, to take some notice. On those particulars I shall first endeavour to set the House right, and to prevent their being misled. Not that the facts, misstated by the learned gentleman, are very material in themselves, but because some serious conclusions have been fallaciously drawn from them. I shall then endeavour to shew that the learned gentleman, in the general drift and tendency of his speech, has laboured to divert the attention of the House from the real object of the inquiry, and to fix it on others, not immediately in question, or not essential to the point in issue, namely, whether the Chancellor of the Exchequer has or has not made a provident bargain for the Public; and, if he has not, to what motives his misconduct may fairly and rationally be imputed. The first may possibly be proved; the second can only be matter of moral inference or unavoidable conclusion, and never the subject, or very rarely, of direct evidence. No man accused has

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a right, in the first instance, to plead character against conduct, or expect us to conclude that he has acted faithfully, because the worst motives possible are not to be proved by witnesses against him. Almost the whole of the learned gentleman's speech has been a digression from the question. He has incessantly travelled out of the record; but I flatter myself that, before I sit down, I shall be able to bring him back to it.

The learned gentleman has thought fit to open his defence of this transaction by a triumphant appeal to the opinion of the Committee, declared in the outset and stated in the front of their report, viz. "that, on the inspection of the lists, as well as from the examination of the parties, your Committee see no ground to suppose, that any interference took place, on the part of any persons connected with Government, in the distribution of any part of the loan." And this declaration, he says, was made with the unanimous concurrence of the Committee, and expressly of the Chairman and his colleagues; a description of a part of the Committee not very parliamentary in point of form, and perfectly unjust in its application. The word *colleague*, applied in that manner, would have no meaning, if it were not intended to intimate that the Committee was banded into parties, one of which was determined to censure and to condemn; and that the opinion, if agreed to by two or three of us, who might be supposed to attend on the part of opposition, must be unquestionably true in itself, and in all its consequences. Now, Sir, I can affirm for one, and I believe it will not be denied by any, that, altho' I attended the Committee constantly till the last two or three days, when I conceived the business was in effect over, and that nothing remained to close the proceedings but a repetition of the same formal question to the several subscribers, I took but little part, certainly not an eager part, in the inquiry. I asked some of the witnesses a very few questions, and left it to the honourable gentlemen on the other side, whose superior numbers, generally ten to one, gave them an absolute command of the inquiry, to conduct it as they pleased. I was not present, when the preamble to the Report was voted. I had neither notice nor suspicion, that it was intended to introduce such a declaration into a Report of Evidence. Otherwise, assuredly I should have attended on purpose to oppose it. In this sense then, and with this explanation, the resolution of the Committee was not unanimous. In any other, the unanimity, in which the learned gentleman triumphs, proves nothing. It was properly and exclusively the act of himself and his friends. I now object to it as not only untrue in the available meaning and effect of unanimity, which

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amounts to nothing unless it includes the opinion of your opponent, but as utterly irregular, and in every point of view inconclusive. In the first place, I affirm that the declaration, whether true or not, ought not to have been forced into the Report. The Committee was appointed to "inquire into the circumstances of the negotiation of the late loan, and were empowered only to report the evidence, as it should appear to them, to the House." On the result or effect of that evidence or any part of it, they had no authority to report an opinion. Nor could they have it otherwise than by express terms in the resolution of the House. But, waving this objection, which *in limine* is decisive, let us consider a little what the declaration in itself amounts to, and, taken with all its circumstances, what weight should be allowed to it. The Committee say, that, *on inspection of the lists, &c., they see no ground to suppose that any interference has taken place, &c.* Be it so.—Is that enough? Does the *contrary* appear from the evidence? If it does not, the negative proposition leaves its own question untouched. I know very well that the lists, produced to the Committee, with respect to the interference in question, prove nothing; and that the publication of them was said to be withheld for fear of injuring bankers and other persons in business, who were great subscribers, and who might be suspected of not dividing fairly with their customers. But, if you look into the Report, you will find that sums little short of millions are still covered by single names, the distribution of which was never known to the Committee.

For one example out of many.

Question to *Mr. Goldsmid.*

Is the whole of the remainder, amounting to 3,492,000*l.* for yourself only?

*A.* No.

*Q.* Will you state to the Committee how much of that sum is for yourself, and the names of the persons, among whom the remainder is distributed?

*A.* 482,000*l.* is for my brother and myself. As to the remaining 3,010,000*l.* I can't give up a list, *as I was in honour bound not to do so.*

With a number of such facts before us, is it possible to contend that any affirmative proof arises, from an inspection of the lists or any other part of the evidence, that *no* interference did take place, on the part of any persons connected with Government, in the distribution of any part of the loan? But, unless that proposition be maintained, the opinion of the Committee is not only irregular, but useless and unavailing to the purpose, for which it was produced and

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insisted on by the learned gentleman. These objections, in my judgement, are fatal to the opinion in itself. Let us see what importance it derives from the persons, who concurred in it. I am not speaking of the formal constitution of the Committee, but of the materials, of which it was in fact composed. Individually without doubt the Members, who attended most diligently, and who had an entire command of the proceedings, are entitled to all manner of consideration and respect. They are all honourable men, and, in proportion to their sense of honour, most likely to be influenced in favour of their benefactor. I shall describe them by their stations only; and, that I may do even that without a risk of offence, I shall state the case in another form, sufficient for my own purpose, and not liable to an invidious construction. Suppose my right honourable friend near me had been Chancellor of the Exchequer, and that a question had arisen concerning the integrity of his conduct in some transaction of his office. I ask this House, I ask every man of common sense, who hears me, whether the unanimous opinion of two Secretaries of the Treasury, of two Paymasters General, and of twenty members of the Boards of Admiralty, Treasury and Controul, all appointed by himself, would have the weight of a feather to satisfy the world, that his conduct had been pure and irreproachable? On this part of the subject I shall only add, that my right honourable friend, whether guilty or innocent, has too much discernment and knowledge of the world, to rely on such miserable evidence for his acquittal. I shall dwell but little on the other parts of the learned gentleman's speech, because it appears to me that the whole of it runs in a false direction, and that, if his particular observations were ever so true, they would not lead the House to a just conclusion on the body and substance of the transaction before us. In defence or behalf of the proposed resolutions, it would be in vain for me to address myself to the learned gentleman. He has loudly declared that, *whether true or false*, he was determined to reject them all. Against so vigorous and intrepid an effort of resolution, I know it would be in vain to apply any arguments of mine; so I shall leave him undisturbed in the possession of it. He has said a great deal with great asperity, and I think with no little injustice, against the credibility of Mr. Morgan's evidence, grounded on the extreme interest, which he supposes Mr. Morgan to have had to misrepresent such parts of the Minister's conduct as affected himself, and to state them in his own favour. He has also taken pains to prove that Mr. Morgan was not injured, and had no reason to complain. Well, Sir, I, at least have no personal interest in defending Mr. Morgan. I never saw him be-

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fore the day when he first attended the Committee, and then I must confess that, in his temper and deportment, I saw no indications of deep design, of cool, thoughtful, guarded cunning. To judge of him by appearances, there never was a man so little qualified by nature for the part of an impostor. He must be an idiot indeed, who could be imposed upon by Mr. Morgan. I gave him credit for what he said, because he said nothing but what was probable. On the other hand, if, with the most unimpeached character, he had stated things utterly improbable, his character alone would not have secured his evidence from suspicion. In by much the greatest part of it, he was supported by the concurring testimony of all the other witnesses. On that assertion, on which the learned gentleman denies that any credit is due to Mr. Morgan, and which, as he affirms, must have been a mere after-thought and subsequent invention, when he knew the terms on which the loan was actually settled with Mr. Boyd, viz. "that on the 25th of November, *if he had been called upon on that day* he would have offered those terms for the loan, which he stated to the Committee, and by which, if they had been accepted, an advantage of 499,500l. would have accrued to the Public," I, for one, declare most solemnly that I give Mr. Morgan entire credit. Because I know that, on those terms, the loan would still have been extremely profitable to the subscribers, and because I have good reason to believe, from particular inquiry, that men of the first property in the city would have been glad to have gone halves with Mr. Morgan in that bargain. I do not mean *now*, and with their *present* knowledge, but on the 25th of November and with all the circumstances in their view, by which transactions of this sort are commonly governed, as they actually stood on that day. As to motives of a great interest, which might influence the testimony, and lessen the credit of Mr. Morgan, let it be remembered that all the competitors had an interest of the same kind, and full as considerable as he had. To believe by selection is mere partiality, and indicates an interest in the examiner just as much as in the witness. But what is all this to the purpose? What have we to do with Mr. Morgan's interest, or with the injury, which, in his own opinion or any other, he is supposed to have suffered? The learned gentleman travels out of the record. In the resolutions now proposed to you by the Chairman of the Committee, there is not a single word on either of those points. The true and only object of inquiry both here and in the Committee is, whether the interest of the Public was or was not faithfully guarded by their representative and trustee, the Chancellor of the Exchequer; whether the Public has or has not been essen-

tially injured by any act or omission of his in the settlement of that loan, which he had at his sole disposal.

But it seems Mr. Morgan is not to be credited, because he suspected the Chancellor of the Exchequer of collusion with Mr. Boyd? Was *he* the only person, to whom that suspicion occurred?—Look at the evidence of Mr. Mellish. That gentleman's character at least is unsuspected. "When Mr. Boyd and Mr. Robarts were called out of the room at Mr. Pitt's, (on the 25th of November,) "I had a suspicion that it would not be by competition, and said, "hey day! a Secret Committee!" I believe, Sir, I shall be able to make it appear that what then was suspicion to Mr. Mellish, should now be conviction to this House. The learned gentleman objects, with all possible vehemence and indignation, to the two last Resolutions, as if they contained propositions palpably false or monstrously absurd. The former asserts, and to that part of it I confine myself at present, that the loan was a *gift* to Mr. Boyd. The evidence proves that the Chancellor of the Exchequer, who had uniformly professed and held up the principle of free and open competition, and who had invited the competitors to his house to bid for the loan, did, on the 25th of November for the first time, and after a separate conference with one of the parties, propose to the other competitors another principle of what is called a *qualified* competition, which they instantly refused, and which the Governor of the Bank tells you, that *in their place, he would not have accepted.* Mr. Boyd says, "We were very willing to leave the fixing of the price of the loan to the Chancellor of the Exchequer." The Governor of the Bank says, "Their answer was, that they would trust to Mr. Pitt's candour, and take it on his own terms." And, *in a few minutes*, the loan was theirs. If this be not a gift, in all its effects, I should be curious to hear the learned gentleman's definition of that word, and, supposing it a gift, in what terms he would describe it. The learned gentleman does not deny the previous conference, alluded to in the third Resolution, but he objects to calling it *separate*. The epithet, it seems, is invidious, and calculated to convey a false idea of the conference, as if it had been *secret*, whereas it was held in presence of the Governor and Deputy Governor of the Bank.—True, it was so. Still the conference was separate, in the terms and meaning of the Resolution. It was held with one of the parties, while the other two were excluded. The competitors were assembled, by appointment from the Chancellor of the Exchequer, to bid for the loan, as they thought, on equal terms. The Governor of the Bank says, that on the 23d of November, "I asked him pointedly the question, *Whether it was to be by compe-*

*tion?* and he told me, *certainly it would*, and that I might tell "the gentlemen;—and *then* my suspicions were done away." When the parties meet, the first thing that happens, is a separate conference with one of them; the next, a proposal to the other two to bid for the loan on terms incompatible with the principle of free and open competition.

The last of the Resolutions is that, which fills the learned gentleman with particular indignation, which he can no way endure, and which he will not only negative, but substitute another of his own in the room of it. Now, Sir, let this proposed Resolution be ever so defective, or ever so false and unjust, he ought at all events to state it fairly. He asks, whether it be possible to advance a proposition more extravagant and absurd, than that two millions and a half have been given to the contractors for the loan, and lost to the public. The learned gentleman is not very exact in stating large sums. For shortness I suppose, or to save time, or to speak in round numbers, he always calls it two millions and a half, when the Resolutions specify two millions one hundred and sixty thousand pounds. At this precise sum the Resolutions estimate *the profits to the contributors at the expence of the nation*; but do not say that it was given to the *contractors*, or that the whole of it was lost to the nation. Undoubtedly a fair and reasonable profit to the contributors ought to be allowed and deducted. The remainder is evidently given away. But the *whole* premium is truly stated as a profit to the contributor. There is no other way of describing it. At 12 per cent. on eighteen millions it amounts to 2,160,000l. I know that at one period the premium on the loan rose to twelve and an half per cent., and that some of the principal holders of *omnium* did not sell at that price or near it, as they might have done, because they expected it to rise to fifteen or sixteen; and so it would without doubt, if the expectations, fallaciously held out by the King's message of the 8th of December, had not been defeated by the subsequent conduct of Government. What the real intention of the message was, I know not; but I know that it was calculated to answer a purpose, that it had a considerable effect, and that, since that time, the contents of it have been discarded and forgotten.

I shall now endeavour, Sir, to state to the House, as briefly and distinctly as I can, what in my judgment, *are not*, and then what *are* the true essential points in issue, between those who applaud, and those who condemn the conduct of the Chancellor of the Exchequer in this transaction, and which alone deserve the attention of the House. Every attempt to shift the question or the charge

from its real ground is, in some degree, an admission. Men of experience and ability, who know the consequence, would not resort to bad logic, or to false ground, if they felt themselves strong, in fair and honourable argument, on the real merits of the subject. The line of examination, which the right honourable gentleman's friends incessantly pursued in the Committee, tended to prove some propositions, which were not in dispute. The honourable Secretary of the Treasury, I am sure, will remember my having said expressly that the result, though ever so favourable to him, would be superfluous, that it was a defence without a charge, and that I cautioned him against the natural inference that must be drawn from that mode of proceeding. They adhered to it in the Committee, and they rely upon it in the debate. We shall see with what effect. I assert then that, admitting the learned gentleman to have *proved*, to his own entire satisfaction, that there is no ground to suspect the Chancellor of the Exchequer of having turned the loan to his own account, or even of having distributed any portion of it among his friends in either House of Parliament, to reward or corrupt them, which for the present I neither affirm nor deny, he has proved nothing to the purpose. He has resisted vigorously where there was no attack, and exhibited great courage, where there was no danger. He knows very well how difficult if not impossible it is, even in the grossest transactions, to obtain direct proof of corruption between Ministers and Members of Parliament. He knows, or ought to know that, in the present case, that sort of charge was never attempted. My honourable friend, who moved the inquiry, not only did not lay prostitution or corruption to the charge of the Minister, in the sense taken by the learned gentleman, but did expressly and repeatedly disclaim it. So did I and others in the Committee. Not that the contrary has by any means been made out in evidence. Of such propositions, the negative is full as difficult to prove, as the affirmative. We said, and we adhere to it, that it appeared to us that a most improvident bargain had been made for the public. We say now, and we have proved it, that, *in every part of the transaction of the late loan, the public interest has been sacrificed by the Chancellor of the Exchequer.* If I am asked, *what could be his motives*, my answer is that I cannot penetrate into the hearts of men, or judge of their intentions otherwise than by facts and circumstances, and by a comparison between conduct and professions; but that in this case, in my opinion, sufficient ground is laid for all the conclusions drawn by the Resolutions. That point shall be considered in its place. If I am asked, whether I suspect the right honourable gentleman of personal corruption in this business? I answer

frankly and without reserve, No. I scorn to insinuate what I do not believe. Neither do I pretend to have ground to believe that the loan was distributed among the Members of this House, and therefore, I say nothing on that head. The distribution, *in the city of London*, speaks for itself. In that quarter undoubtedly, I suspect that corruption was intended, because I see the effect. I see an exorbitant profit given, and a corresponding conduct in those, who received it. *But the Chancellor of the Exchequer, in his own person, is immaculate! You may prove any thing else; but, since you cannot prove that he kept a share in the loan for his own use, your objections and your charges signify nothing.* That is, we have proved nothing, because we have not proved what we did not alledge. But after all, Sir, is it much to say, for a man in his elevated situation, for a man of his understanding, that he is not vile enough and fool enough to take money in his office! Could he do it, without the assistance of a middle man, of an agent? Must he not employ a banyan; and if he trusted himself to a third person in a business so full of danger and difficulty, must he not be at once in the power of that person, and his slave for ever? In all these transactions, there is undoubtedly a clear, available profit to the Minister. But who is it suspects him of taking it in specie? The thing is morally impossible. I acquit him on his understanding.

In all the preceding observations, Sir, I have intended little more than to clear the ground, and open my way to the body of the question. I shall state it now in the only form in which I think it ought to be stated to a popular assembly, and in which I can hope to make myself understood. Minute calculations of pounds or pence would not be attended to, nor would they be intelligible, at least with any explanations of mine. I may not succeed in ascertaining the precise motives, on which the Chancellor of the Exchequer has acted. But that he has acted on motives inconsistent with his duty, and that he has wilfully sacrificed the public interest, (in such a man I cannot attribute any thing to ignorance or surprise,) of which he was the appointed guardian, the special trustee,—these propositions, I am sure I can make out. By what evidence? By a concurrence of undisputed facts and of circumstances, which cannot lie, and all of them meeting in one central point, the profit of the contractors. I shall bring them together as closely, and compare them as accurately as I can; and then let it be seen whether, so collected and so compared, they do not amount to a moral proof, whether they do not force you to a conclusion, which, whatever you may say, the human mind is not made to resist. Judgment is not yet at the command of voi-

tion. If it were, the right honourable gentleman undoubtedly would be as secure of the esteem, as he is of the partiality of this House. On the present question, it is not within the limits of possibility, that their inclination and their judgment should really go together. Now, Sir, I request the House, in observing the facts, to be attentive to the dates. I need not stop to prove that, to ascertain the quality of human actions, the date is very often an essential part of the fact. I shall state nothing, in point of fact, but what is proved and admitted. First, Till the 23d of November 1795 it appears that the Chancellor of the Exchequer adhered to the principle, which he had uniformly professed, of free and open competition, and that, until the 25th of November, he did never express an intention of departing from that principle. Second, By the evidence, on which the eleventh Resolution is founded, it appears that Mr. Boyd's supposed right to object to the negociation of a new loan, was stated to the Chancellor of the Exchequer some time in October, and that he promised to send to Mr. Boyd and his party, to hear what they had to say, before any competition should take place, but that, at that time, *he seemed positively determined not to admit of their claim.* He never sent for Mr. Boyd. On the 23d of November he still adhered to his plan of free and open competition, and invited the competitors to meet him on the 25th, in order to bid on that principle. The House will observe that I speak of facts, as they appear on the surface of the evidence, not as I think they really were. After being reminded of his engagement to Mr. Boyd, first in a conversation, and then by a letter of the 24th of November; he says, on the 25th, that the circumstances had come, *but recently*, to his knowledge, and that he did not admit any obligation to exist. He seems to have forgotten not only his original engagement to Mr. Boyd, but the revival of it in October; and indeed, not to have been very much struck with the force of it, when it was again detailed to him on the 24th of November. Let us consider a little what this right and claim is, which appears to have made so very slight an impression on the memory and judgment of the Chancellor of the Exchequer, but to which at last he submits without resistance, as if he were suddenly overpowered by a torrent of conviction. In this place, Sir, it may be proper for me to premise, that whatever I say on these points is meant to be exclusively applied to the Minister. I have the pleasure of knowing Mr. Boyd, and shall always speak of him as I think, with the greatest consideration.—First of all I find, from Mr. Boyd's letter, “that the contract, for the loan of last year, was entered into under the *condition*, that no

“other public loan for this country should be made until the period, fixed for the last payment of the loan then contracted for, should have elapsed.” Here the claim begins with a positive condition, which, if it could be proved, would make all general arguments superfluous. Mr. Boyd allows that it was not reduced to a specific form, and the Chancellor of the Exchequer has no recollection of it. In a question of mere fact, between him and Mr. Boyd, tho' rather too material to be readily forgotten, I am willing to allow him the full benefit of a feeble memory. But observe what the nature and qualities of this right are, and then believe it, if you can, that a right, so founded and so qualified, should have escaped the attention of such a man as the Chancellor of the Exchequer, or that, when it was revived and brought back to his view, it should have made so very slight an impression on his mind. Mr. Boyd says, “*it is a right founded in justice.*” You may not remember an engagement; but justice, though often violated, is not quite so easily forgotten. This right is also founded *in the nature of things.* A curious description certainly of a claim to lend money, from a contractor to a Chancellor of the Exchequer. Or is it one of the rights of man newly imported from Paris? But it also partakes of the quality of a metaphysical right. Mr. Boyd contends, that it was *inherent and inalienable* in him as *contractor*; that, in that character, he could not separate himself from it, and that, as such, his right and he were indissolubly attached to one another, and would have continued so, though he should have parted with all his share in the loan, or even tho' he never should have held any part of it, but only have acted as agent for the other contributors; and tho' he himself admits, that the contractors for the loan of 1795, could not suffer any pecuniary loss by the introduction of a new loan, otherwise than as holders of scrip. His own words are, “But I do not understand that, while I sell or alienate a part of the loan, I transfer any of the inalienable and inherent right, which belongs exclusively to me as a *contractor.*” This to me, I confess, Sir, is a new speculation, and therefore it is possible that I may not be a proper judge of it. But this I know, that all the witnesses concur in a very different opinion, viz. that as there could be no pecuniary loss but to the holders of scrip, all the contributors to the loan of 1795 had as good a claim, as the contractors, to a preference for the succeeding loan, in proportion to the amount of the shares in the loan of 1795, then held by them respectively, and that not one of them, on that principle at least, appears to have been considered in the present loan.

But leaving this problem to shift for itself, you will find

that the right, so claimed by the contractor, has been *recognised by constant practice and public opinion*. Here comes a question of fact. Has it been the *constant practice*? If it has, you have a custom without an instance. No similar case has been stated. No example has been alledged to make good the affirmative. The truth is, that there never was a precedent in point. The Governor of the Bank says, "he does not recollect any loan made for the receipts to come out before the others were totally extinct, and that Mr. Newland had looked back a great way, but, since the establishment of the Bank, no new loan has been made, when two payments of the preceding one were not fulfilled, as in the present case." The asserted right of the contractor is therefore clearly not founded on *constant practice*. But it would be treating such a proposition too gently, if I contented myself with saying, that it has not been proved. There is a decisive fact on the other side of the question, which annihilates the allegation of *practice*. Allow me to state this point distinctly. The moment you understand it, you must be convinced by it. The contractors say they cannot relinquish their right, *without evident loss*. How are they to lose? As holders of scrip belonging to the former loan, *by the introduction of eighteen millions more into the market*. But if you look to the evidence, you will find there is one opinion, in which all the witnesses agree, viz, to speak in the terms of the fourteenth Resolution, "That the value of the existing funds is affected in a far greater degree by the *negociation* for a new loan, and the settlement of the terms thereof, than by the making the deposit on such loan after it is settled." Mr. Boyd himself expressly objects to the *negociation* of a new loan, while payments on the former loan were depending; because undoubtedly, if injury be done to the holders of scrip, it must be by the *negociation and terms*, not by the deposit. Now, Sir, supposing this to be the truth, as it certainly is, it appears by the evidence, in opposition to that *constant practice and opinion*, alledged by Mr. Boyd, that, before all the payments were completed on the loan for 1794, a new loan for 1795 was negociated with Mr. Boyd, while considerable sums of the preceding loan were outstanding; yet the contributors to that loan did not object to such negociation, or make any complaint on account of it. You will find the fact more precisely stated in the 15th Resolution. I am not arguing now about the validity of Mr. Boyd's pretensions to a preference; but, supposing them to be good, in the sense and to the effect stated; is it possible they could be forgotten? Or, if they were not valid, why did they prevail? It would not be difficult to assign a probable motive for the Minister's conduct; but, as it

would be said to amount to nothing but suspicion or conjecture, I shall leave it to every man, who observes the facts, to conclude for himself. There are still some material circumstances in this transaction, very well worthy of your attention. Mr. Boyd obtains the preference, if not, as we call it, a *gift* of the loan. What follows? *He trusts to the candour* of the Chancellor of the Exchequer, and agrees to take it on *his own terms*. What precedes?—A singular fact. In the beginning of November, for the first time, the Commissioners appointed to buy up the public debt, began to make purchases in the 4 per cent. stock. The bargain for the loan was fixed by the Chancellor of the Exchequer himself in the 3 per cents only. That is, he did every thing, that depended on him, to lower the value of that commodity which he meant to dispose of. The 4 per cents rose of course, by this new and unexpected investment of more than half a million in ready money. Whatever that advantage amounted to, ought to have been given to the 3 per cents, in which the bargain for the loan was concluded. The learned gentleman says that, in November 1795, the purchases by the commissioners could not be made in the 3 per cent annuities; because, in that month the books of those annuities were shut. So they were in 1794. So they were in every preceding year. The times, at which the several books are shut, in all the funds respectively, never vary. Did that difficulty occur in 1794 or 1793? Did the Commissioners ever purchase in the 4 per cents, before November last? Never. Again I say, what follows the settlement of the loan? Another fact, most singular in its appearance, most important in its effect. The Chancellor of the Exchequer makes the bargain on the 25th of November, but does not bring forward the budget till the 7th of December. On the length of that interval and its consequences, I shall observe presently. But here comes the questionable point of all. The very day after the budget, the Minister delivers a message from His Majesty, from which all men concluded, that a negociation for peace was on foot or very likely to take place. The value of the loan immediately rose above 5 per cent, or 900,000l. on the capital, which we affirm was to all intents and purposes a voluntary, determined, and premeditated gift to the contractors at the expence of the public. If the Chancellor of the Exchequer should alledge that this effect of the message was not to be foreseen, or that in fact he did not foresee it, I shall leave the first of those allegations to the judgment of the House, and of the world; the second I shall not contradict. They, who take him at his word, must defend his integrity at the expence of his sagacity, on a point that could not escape the meanest under-



standing. In so gross a mistake, it is not possible that common sense and common honesty should have acted together. Of the effect at least, there can be no doubt. No man will deny that, if he had timed and graduated these several acts as he ought to have done, I mean the loan, the budget, and the message; the public might have had the benefit of that advance in the funds, which was produced by the message.

The 29th Resolution states, in moderate terms, that the interval of twelve days, between the settlement and the budget, is unusual, and not likely to be productive of any advantage to the Public. The fact is that, by any delay of the budget after the bargain, the Public cannot possibly gain, but may possibly lose. With respect to the contractors, the direct reverse is the case. If, in that protracted interval, political events of a favourable nature should happen, by which the price of stocks should be considerably advanced, the contractor has the whole benefit of the rise. Whereas, if the contrary should happen, whether by misfortunes abroad, or any other sinister event; and if, in consequence, the loan, instead of bearing a premium of ten or twelve per cent, should fall considerably under par, what remedy has the Public against the contractors? or would they, if they could, enforce the contract to the ruin of the parties? No, Sir, we all know that it would not be attempted. The learned gentleman admits, with truth and candour, that Parliament, in such a case of pure misfortune, would relieve the contractor. I say they would, because they ought to do so. For reasons of this nature, it was formerly the constant rule not to conclude the bargain 'till the day before the budget. Even in later times, the interval has seldom exceeded two days. Supposing that, in a political view, it might have been advisable to conclude the bargain for the loan at so very early a period of the session, why did not the budget immediately follow? If otherwise, why might not the bargain have waited for the budget? On this point, one argument only has been urged, with a great deal of pomp and emphasis, namely, that it was good policy to take the earliest moment possible, after the meeting of Parliament, to exhibit to the enemy the extent of our resources, and the facility, with which the enormous capital of eighteen millions sterling could still be raised in this country. It does not yet appear that this eager exhibition of our extravagance has made any material impression on the enemy. As far as I can discover, they have not yet been much appalled by it. But, be it so. Allow the policy to be good, whether in this instance it succeeded or not. How will the right honourable gentleman answer this question? If the po-

licy was good in November 1795, it may be so equally in November 1796. Then why have you now, for the first time, introduced into the contract for the present loan a specific stipulation, *that no payment on any new loan shall be made 'till after the last payment on this loan, that is, till after the 15th of December 1796?* How do you know that, before that day, it may not be indispensably necessary to raise another loan for the public service? On your own principles, you have disarmed your Government of a powerful weapon, or at least of an instrument of terror, from which, as you contend, a great effect might be expected. Let the case be ever so pressing, let the opportunity be ever so favourable, your hands are tied. You cannot resort to your own remedy without asking leave of the present contractors; that is, you must buy their consent by the gift of another loan, which they in their turn *will trust to the Minister's candour, and take it on his own terms.*

On the curious transaction of the Hamburgh bills, which, I believe, will furnish a clue to unravel the mysteries of the loan, I purposely restrain myself at present, an honourable gentleman near me having engaged to make it the object of a particular inquiry, as it richly deserves. One observation only is too pressing to be omitted. The learned gentleman insists on the clear and unquestionable fairness of the measure, though unusual in the mode. Now, I ask him whether, when these bills were brought into circulation, the true nature of them was avowed? Was the discounteur informed, that the place and date were fictitious; that they were drawn in London in September, though dated from Hamburgh in August? If not, the discounteur was imposed upon. I do not say that the intention was to defraud, but it certainly was to deceive him. If the truth had been declared, would any banker have risked the credit of his House by discounting such bills? It does not appear that they were ever offered to the Bank of England.

Now, Sir, I call upon the House to put together the facts, the circumstances, the consequences and pretences of the Minister's conduct in this extraordinary transaction, and, leaving out of their consideration the collusion that appears, or the motives that may be suspected, to pronounce their verdict, on the simple issue of fact, "Has he or has he not made a most improvident bargain for the Public?" If the fact be found, the moral inference is obvious and unavoidable. It need not be argued, for it cannot be resisted. Nevertheless, Sir, speaking now for myself alone, I declare that I am ready to wave every one of the objections I have stated, and even to join with his friends in a vote of acquittal, if the Minister can and will give me a fair, direct, and satisfactory answer to one

remaining question. When Mellish and Morgan refused to bid on the plan of a qualified competition proposed to them on the 25th of November, for what reason did he instantly conclude with Mr. Boyd? He was not pressed for time, since Friday the 27th was the day, fixed by himself, for the final settlement. He was not pressed for money, since the first payment on the new loan was not required before the 10th of December. For any thing that appears to the contrary, he might have taken a week, but certainly two days, without any possible inconvenience, to try at least, whether some other competitors might not offer, and by that means give the Public a possible chance of the benefit of a competition on his own plan. Then why did he not immediately send to the Bank, and desire the Governor to give public notice of the alteration, and of his being open, for a certain number of days, to receive proposals on that principle? I presume he will not say that he knew it to be such, as no man of credit would offer to bid upon. Yet what else he can say, to cover so gross and palpable a breach of his duty to the Public—I confess my imbecillity—I have taxed my imagination—but I am not able to conceive it.

The last appeal I shall make is to the prudence of the House. We are trustees for the nation, and accountable for the trust reposed in us. If we acted only for ourselves, or if the question ended with a few speeches, a short question, and a vigorous resolution, the Chancellor of the Exchequer might possibly be as safe in the opinion of his country, as he is in this House. But let it be remembered, before we decide, that the evidence is before the Public, who will compare it with the verdict and judge of us accordingly. We may acquit the Minister by a vote; but, if that vote should not appear to be warranted by the evidence, it will avail him nothing in point of reputation. The country have it in their power to try *us* as well as *him*. The Minister may escape; but, in the judgement of mankind, this House will not be acquitted.

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The two following resolutions, as founded on the evidence, were proposed by Mr. Sylvester Douglas, and carried without a division.

*Resolved*, “ That it appears to this House, that the terms of the loan were fixed with a due regard to the magnitude of the sums borrowed and provided for, as well as to the market price of the funds and the situation of public affairs at the time the bargain was concluded.

*Resolved*, “ That it appears to this House that, in every part of the transaction of the late loan, the conduct of the Chancellor of the Exchequer was actuated by a view to the public interest, and that there is no ground to suppose that any interference took place on the part of any persons connected with Government in the distribution of any part of the said loan.

FINIS.

