FINANCE:

1813.

Luke Hansard & Sons, near Lincoln's-Inn Fields, London.

OUTLINES

OF A

PLAN

OF

FINANCE:

PROPOSED TO BE SUBMITTED TO PARLIAMENT.

1813.

Table showing the amount of Debt, at the conclusion of the different Treaties of Peace, since the Revolution; — the duration of each Peace; — the amount of Debt discharged, during its continuance

When concluded	Where	Amount of Debt	Years of Peace	Sums discharged annually	Percentage on the Capital discharged annually
1697	Ryswic	£21.515.772	4	Not £5,121,071	£5.95
1714	Utrecht	£55,202,970	26	per £7,320,335	£0.51
1748	Aix-la-Chapelle	£79,193,313	0	per £5,903,640	£0.93
1763	Paris	£133,959,270	12	per £10,314,770	£0.69.5
1783	Versailles	£230,231,248	10	per £10,242,100	£0.43

Average amount annually discharged
N.1. £1,200,260 viz. £059,504
N.2. £1,201,060 viz. £1,024,210
N.3. £737,955

It is impossible to conceive what is meant by the repayment of Debt never being carried into execution till after the American War. — from the opposite table it is obvious that a smaller proportion of the Debt was annually discharged, during the peace that succeeded the American War, than during any other peace, since the Revolution; — & that, after the Peace of Ryswick, there was even a larger sum annually employed for this object, than during the Peace after the American War

FROM the period of the complete introduction of the Funding System in the early part of the last century, to the close of the American War, the object of our measures of Finance during War appeared to be only to provide for the immediate expenses of the year, by borrowing such Sums as were necessary for any extraordinary charge incurred, and by imposing such Taxes as might meet the interest of the Loan, leaving to the period of Peace the consideration of any provision for the repayment of Debt; and this being attempted at irregular periods and on no permanent system, was never carried into effectual execution; the total amount of Debt redeemed between the Peace of Utrecht and the close of the American War being no more than £. 8,330,000. ✕

The accumulated expenses of the American war, and the depressed state of Public Credit and of the Revenue at the close of that War, impressed on the vigorous mind of Mr. Pitt the necessity of adopting a more provident system, of which he laid the basis, with admirable judgment, in the Sinking Fund Acts of 1786 and 1792.

✕ From the Table here annexed, it appears that during this period, the amount of Debt discharged was £ 23,546,745

At the commencement of the War of the French revolution, Mr. Pitt thought it sufficient, to meet the charge of military and naval expense by Loans, accompanied by that provision for gradual redemption, which had been established by the Act of 1792.

The increased expenses of the War, and the prospect of its long continuance, induced him however, in 1797, to aim at the most efficacious system by which a long duration of War can be supported, that of equalizing the Income with the Expenditure of the Country.

For this purpose he proposed, in 1798, the establishment of a general Tax on Income; intended, with the aid of some other War Taxes, to provide within the year, for a considerable part of the public expenses, and also to repay within a few years after the conclusion of peace, all Debt contracted beyond the amount of the Sinking Fund in each year.

The plans adopted for increasing the National Income upon the renewal of the War, by Lord Sidmouth, and afterwards by Lord Grenville and Lord Henry Petty, in 1803, 4, and 6, were on a much larger scale; and there is every appearance that the income of the Nation, might at this time have equalled or exceeded its expenditure, if the necessity of a large increase in our foreign expenses had not arisen.

The total amount of the public Expenditure, exclusive of the Sinking Fund, was on an average of

the

X All these calculations about our future expenditure are under the circumstances of the present situation of this Country nugatory and ridiculous.

In 1807 the Bank Note was worth 19/5 5/8 of Standard Coin; it is evident then that even if our expence was reduced to the scale of the expenditure of 1807 the sum of £64,000,000 would be incapable of defraying it now when the Bank Note is worth only 14/10 of Standard money.

The gradual diminution of the value of our paper must indeed be in a great measure the cause of the increased expenditure that has taken place, and which is here stated to have amounted on an average in the years 1809, 1810 and 1811 to £73,000,000, and in the year 1812 to £81,000,000.

The following Statement of the value of £64,000,000 of Bank Notes in Standard Coin in these years, and in the year 1807 will show at once how inadequate that sum would have been in any of these years to defray the expences which were incurred in 1807 whilst it will in great part account for the increased expenditure that has latterly taken place.

In 1807 gold was at £4 an ounce at which rate the Bank Note is worth in Standard money 19/5 5/8 and £64,000,000 of Notes is equal to £62,300,000 Standard Coin.

In 1809 gold was at £4-10/. an ounce, at which rate the Bank Note is worth in Standard money 17/3 2/3 and £64,000,000 of Notes is equal to £55,377,777.. 15-6 2/3 Standard Coin.

In 1810 gold had reached £4-14/. an ounce at which rate the Bank Note is worth in Standard money 17/11 35/91 and £64,000,000 of Notes is equal to £54,769,230.. 15-4 56/91 Standard Coin.

In

the years 1806 and 1807, about £. 61,600,000. The Income of 1807 (taking the Property Tax, according to its assessment, at about £. 11,400,000.) was about £. 59,700,000.

X The net produce of the public Income, on an average of the years 1809, 1810 and 1811, deducting the arrears of Property Tax paid in beyond the assessment of each year, was about £. 64,000,000. which, with the addition of the Taxes imposed in 1811 and 1812, would appear to leave a considerable surplus beyond the amount of the Expenditure of 1807; but to this Expenditure must be added the increased charge of unredeemed Debt since that year. This amounts to about £. 2,300,000. which, added to the beforementioned sum of £. 61,600,000. being the Expenditure of 1807, makes together nearly the above sum of £. 64,000,000.

The Expenditure of the same years 1809, 1810 and 1811, amounted it is true, on an average, to nearly £. 73,000,000. and that of the year 1812 may be estimated at about £. 81,000,000. exclusively of the repayment of Exchequer Bills and Loyalty Loan.

The amount therefore of the sum to be provided, in order to equalize the receipt and expenditure of Great Britain, on an average of the years 1809, 1810 and 1811, allowing for the increased charge of unredeemed Debt, may be estimated at £. 9,000,000. or, taking the Expenditure at

 £. 81,000,000.

£. 81,000,000. at about £. 17,000,000. from which sums must however be deducted the future produce of the Taxes imposed in 1811 and 1812, which may be estimated at about £. 2,500,000. and which would reduce the former sum to £. 6,500,000. and the latter to £. 14,500,000.

To raise even the lowest of these sums by an immediate imposition of new Taxes, in addition to the great exertions already made, would, however, be considered as a very heavy burden; and one, the severity of which might be felt still more sensibly, from an apprehension, by no means unreasonable, that such a sacrifice might eventually prove to have been unnecessary, as many supposable and even probable cases may arise during the continuance of the War, in which it would be possible very considerably to reduce our expenses.

Nothing more, therefore, can be expected as a permanent War system, than to provide for such a scale of Expense as must necessarily arise out of the state of War, without including that great increase which has been occasioned by our extraordinary exertions abroad in the last four years, and which, in whatever way it may appear to the wisdom of Parliament most proper to provide for it, must be considered as of only an occasional nature.

In the foregoing Statement it is assumed, that the Sinking Fund is no portion of the national expenditure. In fact, by cancelling a certain portion of Debt in each year, it reduces the Debt really

incurred,

In 1811 gold had further increased to the value of £4-18/. an ounce, at which rate the Bank Note is worth in Standard money 15/10 $\frac{105}{147}$ and £64,000,000 of notes is equal to £50,857,142-17-1 $\frac{105}{147}$ Standard Coin.

In 1812 gold rose to £5-8/. and was indeed for a length of time at £5-11/.; taking however the ounce to have been worth only £5-5/, at which rate the Bank Note is worth in Standard Money 14/10 and £64,000,000 of notes is equal to £47,466,666-13-4 Standard Coin.

incurred, to the amount in which the sum borrowed exceeds the sum to be redeemed. It is evident indeed, that whether the Fund is applied in the purchase of stock already existing, or in reducing the amount of stock to be created, the effect will be nearly the same; and the equalization of the public income and expenditure may consequently be considered as a primary advantage of the Sinking Fund, no less than the actual redemption of Debt.

The former of these objects, so far as is requisite to meet that part of the expenses of the War, which may be considered as necessarily permanent, appears, by the foregoing Statement, to have been already accomplished. It has, indeed, been effected by means which, while they shew the extent of the resources of the Country, and evince its firm and unshaken spirit, point out at the same time the expediency of not calling for any further sacrifices which may be avoidable: for this great object has, in fact, been accomplished by the extraordinary payment of more than 200 Millions of War Taxes. This unexampled exertion may be considered as no less powerfully co-operating with the Sinking Fund, in its other great object of the reduction of the Debt, since the creation of a new Debt to an equal amount has thereby been avoided.

These considerations may be thought sufficient to point out the general expediency of any alteration of the present arrangement of the Sinking Fund, which, without violating the provisions of the

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* This opinion must be considered as a confession, that applying the Sinking Fund to the reduction of the National Debt, in time of War, when a greater sum of Debt is contracted, than what is discharged, can only occasion an increased charge to the public, arising from the expence of that twofold transaction

the Act of 1792, may diminish the weight of those further burdens, which the progress of the War may still impose upon the Nation; and with this view, it may be proper to advert to the remarkable period at which the Redemption of the Debt has actually arrived.

When the establishment of the Sinking Fund was proposed by Mr. Pitt, in 1786, the Debt amounted to near £. 240,000,000*; a sum, of which, few then living ever hoped to see the Redemption, but which, by the steady perseverance of Parliament, in this important measure, has already been redeemed.

It is true, that this Redemption has been effected, not solely by the operation of the Sinking Fund established in 1786, but in great part by the provision made for the redemption of Loans since contracted, and also by the redemption of the Land Tax, and, in some degree, by the purchase of Life Annuities. These additional exertions shew the spirit and perseverance with which the original system has been carried into execution, amidst all the difficulties of an expensive and protracted Warfare. The separation, kept up, for purposes of account, between the original Sinking Fund of 1786 and the Additions subsequently made to it, is, however, only nominal; it neither has been, nor can be attended to in practice; because the whole of the Debt contracted since the establishment of the Sinking Fund, having been borrowed upon the

* £. 238,231,248.

Old

Old Stocks, and no distinction made between the Old and the New Proprietors, the whole Debt is considered as One indiscriminate mass, to which the purchases made by the Sinking Fund are equally applicable. No right of priority of redemption can exist in any particular class of Stockholders, nor can any conditions of repayment be claimed (except in the instance of the Five-per-cent Loan of 1797) beyond those laid down in the Act of 1792, under the faith of which all subsequent Loans may be considered as contracted.

By that Act, provision is to be made for the redemption, within 45 years, of all Debts subsequently created; and, within this limit, Parliament has the power to regulate the mode of the redemption at its discretion; and has in fact exercised that discretion in several instances.

In the years 1798, 1799 and 1800, for example, no provision was made for the immediate reduction of that part of the Loans which was charged upon the Income Tax; but it was intended that those sums should be redeemed by a prolongation of that Tax in time of Peace. In 1802, when the Income Tax was repealed, and other Funds were provided for defraying the Interest of those Loans, it was again thought unnecessary to make immediate provision for the redemption of the Principal, which was left to be redeemed by the prolonged operation of the Sinking Funds already existing.

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It may therefore be considered as decided, not only by the recorded opinion, but by the established practice of Parliament, that while provision is made, in any manner, for the redemption of each respective portion of the Public Debt, within 45 years from the time of its being created, the enactments of the Act of 1792 are complied with.

It would consequently be equally consistent with the Act of 1792, either to redeem any number of Loans, by applying to the separate redemption of each the distinct portion of Sinking Fund created at the time of its being contracted, or by applying the whole Fund, in the first instance, to the total redemption of the first contracted Loan, and afterwards to that of the several succeeding Loans in their respective order; so that each of them should be redeemed within 45 years from its being raised.

This second mode would, however, be attended with important advantages.

In the first mode, the whole charge of Interest and Sinking Fund, occasioned by any number of successive Loans, is appropriated, without any possible relief to the Public, until the whole of one of the Loans shall be completely redeemed by the exclusive operation of the One-per-cent originally attached to it; which is not likely to happen in much less than 40 years, and may exceed that term. But in the latter case, several of the Loans first contracted will, in the event of a war of considerable

+ It is not money that is accumulated by a Sinking Fund. — It is Capital. — The rate of Interest given for the use of Capital must therefore by such an increase of it be reduced; but the value of money never can be affected to whatever extent the Sinking Fund may be carried.

derable duration, though much short of 40 years, have been redeemed previously to the conclusion of the War, and will have furnished, to a considerable extent, the means of providing for a fresh charge; and this Resource will be continually increasing, in proportion to the duration of the War.

Another advantage will be, that the Redemption of the Debt, being more gradually diffused over the whole period, will produce less alteration in the state of property. This *successive* Redemption is indeed a point of no small importance to the regulation of the Money-market, as the rate of interest and the value of money + might be very inconveniently affected, by the too rapid increase or the too sudden reduction of the sums brought into circulation by the Sinking Fund. It should not therefore be suffered to accumulate for too long a period; while, on the other hand, it should not be too much diminished by extinguishing at once too large a portion of the Public Debt. These considerations appear to have occasioned that provision of the original Sinking Fund Act of 1786, by which its accumulation at compound interest was limited to Four Millions; and they will be still more effectually provided for, by the mode of successive redemption, which has been pointed out: while another advantage, attending it, would be, that throughout nearly the whole period of its operation, a much smaller portion of the national resources would be occupied in providing for the Public Debt.

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The point at which we are now arrived in the Redemption of the Debt, affords a most favourable opportunity for the adoption of this mode; which would have been originally preferable, and which the actual duration of the War, and the prospect of its possible further continuance, render at present peculiarly advantageous.

Upon these principles, it is the object of this paper to propose a Plan, by which a gradual and equable Reduction of Debt may be provided for, with great immediate advantage to the Public.

It is only necessary to enact, that the Debt *first contracted* shall be *deemed* to be first paid off; whether purchased by the Sinking Fund originally provided for its redemption, or by any other. It has already been shown, that this supposition involves no absurdity, the old Stocks and the additions to them being so mixed, as to render all discrimination impossible; and it is surely very allowable in practice to assume that any given portion of the Public Debt is discharged, when an equal sum, funded in the same securities, has been paid off.

A sum equal to the Capital of the whole Public Debt existing in 1786, having already been purchased by the Commissioners, or transferred for the redemption of Land Tax, or the purchase of Life Annuities, the execution of this Plan will only require, with regard either to this Sum, or to any Debt hereafter to be redeemed, that a Certificate of such

redemption shall be published in the Gazette, and laid before Parliament by the Commissioners; and that, thereupon, the Stock so redeemed and standing in the names of the Commissioners, shall be at the disposal of Parliament, and liable to be cancelled, in such proportions and at such times as Parliament may direct, to such an amount as may be necessary for charging, upon the same securities, the Dividend and Sinking Fund of any Loan which may have been contracted for the Public Service; but that the *whole Sinking Fund* created by the Act of 1786, or by any subsequent Act, shall be continued and applied, until the total Redemption of all Debt now existing or to be created during the present War. In order, however, effectually to secure the means of redeeming all future Loans within forty-five years, and to preserve a proper proportion between the Sinking Fund and the Unredeemed Debt, it will be expedient to enact, that whenever the sum borrowed in any year shall exceed the sum to be paid off, a Sinking Fund shall be provided for the excess of Loan, equal to one half of its interest; and for the remainder of the Loan (or for the whole, if not exceeding the amount to be redeemed within the year) a Sinking Fund of One-per-cent, conformably to the Act of 1792.

It may also be observed, that as this arrangement involves the repeal of those provisions of the Act of

of 1802, under which the whole Sinking Fund then existing was directed to accumulate at Compound Interest, till the complete redemption of the debt which then remained unredeemed, it will be proper to make good to the Sinking Fund the annual sum of £. 870,000.× which would have been appropriated to the redemption of the different sums provided for in 1802, if that consolidation had not taken place, and if those sums had been accompanied by the usual redeeming Fund of One-per-cent. And while, in this respect, the proposed Plan will revert to the original arrangements of the Sinking Fund, it will also conform to them by returning, with much greater advantage, to the principle of those provisions, by which relief would before this time have been obtained to the Public by the limitation of the Sinking Fund, as established by the Act of 1786, and then restricted in its accumulation to the annual sum of Four Millions.

In connexion with this part of the subject, should be mentioned the great increase of the Debt in Unprovided Exchequer Bills, of late years; which may be considered as a departure from the spirit of the Sinking Fund Act of 1792. It was certainly the intention of that Act, that every increase of Public Debt, except mere temporary anticipations of income, should have a provision made for its extinction, at the time when it was incurred. But large sums, now amounting in the whole to £. 26,000,000,

× The principle on which this Sinking Fund was formed was not abandoned in the year 1802 in the manner this statement alledges.

Mr. Pitt in the year 1798 first abandoned it, he did not provide for one per Cent on £16,000,000 part of the Capital created by the Loan of that year, under pretence that it was to be charged on the Income Tax which he proposed to continue on the Return of Peace and appropriate to the redemption of that sum.

In 1799 the same plan was pursued with regard to £19,250,000 part of the Capital created by the Loan of that year.

In 1800 the same system was again resorted to with respect to £21,195,000 of the Capital created by the Loans then negotiated.

In 1802 Lord Sidmouth added £30,351,375 for which he also neglected providing a Sinking Fund of one per Cent on the Capital making in all a sum to the following amount

1798	£16,000,000
1799	19,250,000
1800	21,195,000
1802	30,351,375
	£86,796,375

Lord Sidmouth chose also in the year 1802 to abandon the plan of continuing the Income Tax for the redemption of this debt, he ought therefore to have provided not only Taxes for one per Cent on the sum of £30,351,375 the debt contracted in that year but also Taxes sufficient to indemnify the Sinking Fund for one per Cent not having been conveyed to it in the year 1798, in the year 1799 and 1800, on the several sums of debt as above specified contracted in those years. — And it is obvious he

he could not have effected this by laying in 1802 Taxes to the amount of one per Cent on £86,796,375, the total of the debt unprovided with Sinking Fund, this could only have been effected by calculating what the Sinking Fund would have amounted to in 1802, if the one per Cent on the several Loans had been appropriated at the time they were created, and laying on Taxes to that amount.

How then is it possible that Mr. Vansittart can talk of indemnifying the Sinking Fund for the infringement that took place betwixt 1798 and 1802 on the system adopted by the Act of 1792 by laying on Taxes to the amount of one per Cent on this sum in the year 1813; it is plain that if the one per Cent had been provided on the £16,000,000 of Capital created in 1798 as money doubles in fourteen years, that proportion of the Sinking Fund would have now produced double of what he proposes to convey to it, as indemnity for the infringement. — It would be easy to calculate the precise sum in Taxes that it would require should be raised to indemnify the Sinking Fund in the case of each of the other three Loans, but without going into particulars the extreme inadequacy of the proposed compensation is sufficiently apparent.

Mr Vansittart must himself consider the measure he proposes as the means of reverting to the system 1792, to be in reality a departure from it. — For in page 92, he states the circumstance of Exchequer Bills not having been provided with a Sinking Fund of one per Cent at the time of their being issued as a departure from that system, tho' a Sinking Fund to that extent has always been created at the time of their being Funded. — It is impossible then that a person who considers this short delay in the provision of a Sinking Fund, as a deviation from the system of 1792, must not conceive the appropriation of a Sinking Fund of one per Cent fourteen years after the Capital was created to be a still greater deviation.

£. 26,000,000. have been raised at different times, and continued from year to year, in the shape of Exchequer Bills, without any provision for the Extinction of the Debt so created.

To remedy this inconvenience, the most proper method appears to be, that a Sum should be annually granted to the Commissioners for the reduction of the National Debt, equal to One-per-cent on all Unprovided Exchequer Bills outstanding on the 5th of January last, and should continue to be annually issued till they shall be funded, or otherwise permanently provided for. It is not probable that these Bills will ultimately be redeemed, otherwise than by conversion into Funded Debt; in which case the provision now made for their Redemption, will be an anticipation of the Sinking Fund which would then be provided.

The mode of exercising this discretionary power of Parliament to cancel such portions of Debt as shall have been redeemed, may be varied as circumstances may require; but, during War, that which has been pointed out, appears to be most generally advantageous.

The effect of its adoption will therefore be stated in the first instance; after which it will be proper to take a view of the most beneficial application of which the principles of the Plan may appear to be capable, on the supposition of Peace.

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× It may be an anticipation in fact, but a Sinking Fund in Exchequer Bills when they are issued will never amount to one per Cent on the Capital created when they are funded, to what extent it will be deficient must depend upon their being funded in three, four, or five per Cents.

It is not intended to offer any opinion of the amount of the Loans to be raised in future in the event of the continuance of the War: but for the purpose of illustrating the operation of the Proposed Plan in comparison with that of the Present System, in a variety of cases, Tables have been annexed, shewing the effects of each on different suppositions.

In the first it is assumed that the Loans in future, for a great number of years, will be equal to that raised in 1812, which, including the Exchequer Bills funded, amounted to £. 28,000,000.

See Table A. 1, 2, 3.

To fund this sum at 5 per cent for four years to come, would, according to the present System, require the imposition of new Taxes to the amount of nearly £. 7,500,000.; and in the whole, to the year 1830, about which time the Debt consolidated in 1802, would, at that rate of interest, be redeemed by the System now existing, Taxes would be required, supposing the War to last so long, to the amount of upwards of £. 31,000,000.

But according to the New Plan, it would require no Taxes for the next four years, except about £. 1,100,000. in the present year, for the purpose of making those immediate additions to the Sinking Fund, which have been above specified: and in the whole, to 1830, only about £. 18,000,000. would be required.

× In page 12 Mr. Vansittart describes his plan as reverting to the original system of the Sinking Fund established in 1792; in page 5 and 7 he labours to prove that it is no departure from the system that was then adopted, whilst throughout he admits that the system adopted in 1802 was a deviation from the original plan of 1792.

The precise extent of the deviation in 1802 may be accurately ascertained by reverting to the Tables produced to Parliament in that year. — But by Lord Sidmouth who proposed it, it was admitted that "there would "be an interval in which the quantity of unde- "emed Stocks would be greater by the measure pro- "posed in 1802, than it would be under the original "system."

Mr. Pitt who supported the measure appears from the reports not only to agree with Lord Sidmouth, but in the following passage of his Speech he submitted a conjecture concerning the period at which under the System of 1802, the Sinking Fund would begin to exceed that established by the System of 1792. — "There certainly would be a period "in which the debt would be less rapidly discharg- "ed, than by the old method; the progress in the be- "ginning would be slow. The question then was, "the time when the quantity of stock to be bought "up, according to the present plan, would be greater "than by the old sinking fund? From the best "calculation he was able to make, that effect would "begin to operate in about fourteen or fifteen years time."

Mr. Pitt could not then have foreseen that Loans would be carried to such an extent within eleven years as to occasion the one per cent conveyed to the Sinking Fund on new Loans to amount to £4,332,255, neither could he have

foreseen

The whole amount of the Debt now existing would, by the present mode, be redeemed about 1845; by the New Plan, about 1837.

× The Sinking Fund will be much greater according to the present Plan, than by that proposed, till about the year 1830, when the Consolidated Sinking Fund of 1802 will fall in, and an annual sum of Twenty-one Millions will be at once taken from it. Their subsequent progress will correspond more nearly, as the successive extinction of Loans will operate on both. The New Plan will, however, continue more equable and uniform in its progress.

If the Sum necessary to be raised should exceed £. 28,000,000. the advantages of the New Plan, in point of Taxation, would be somewhat diminished; but the redemption of the existing Debt would be accelerated, and the Sinking Fund would increase more rapidly; and opposite effects would of course be produced, if the sums borrowed were diminished, or if they were obtained at a rate of interest below £. 5. per cent. This is shewn by Tables pointing out the effects of a succession of Loans of £. 25,000,000. and of £. 12,000,000. respectively, which prove that in the latter case no Taxes would be required, except those provided in the first year, till the complete redemption of the existing Debt.

See Tables B. 1, 2, 3. & C. 1, 2, 3.

It may however reasonably be hoped, that even in the event of a continuance of the present rate of

expense,

expense, the cessation of the imposition of Taxes for some years, would have a considerable effect in improving the existing Revenue, and consequently in lessening the amount to be borrowed. This has been in some degree experienced even in consequence of the partial relief from additional Taxes, which has taken place since the year 1806. It should also be remarked, that such a saving of Permanent Taxes would create a comparative facility of increasing the War Taxes, if such a measure should be thought advisable, as it probably may be in the event of an increase of expense or even of any considerable duration of its present amount. How far this may be expected, it would be rash to decide, and the supposition of any particular sum is assumed for illustration only, but it is by no means essential to the system itself, which will be found capable of being adapted to every variety of circumstances which can be expected to arise.

In the event of Peace, the Sinking Fund would continue to accumulate at compound interest as at present,* unless the inconveniences arising from the too rapid diminution of the rate of interest, should induce Parliament to interfere by ordering the Stock purchased by the Commissioners to be cancelled. This kind of interruption is not however peculiar to the New System; but must equally take place under the present mode of redemption, whenever its progress should be found to be too rapid. In case the

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* Notwithstanding he contemplates here the rapid diminution of Interest which a Sinking Fund must create, he in the next page described the accumulation of £100,000,000 as taking place without the impoverishment of any individual.

foresaw the addition to the Sinking Fund by Lord Henry Petty's plan of £626,255. But it is obvious that if he had, he would have estimated the period as likely to occur earlier at which the scheme of 1802 was to compensate the Sinking Fund for the deviation from the system of 1792.— It is probable that his calculations founded on these data might have led him to calculate upon this occurrence happening about the present time.

By Mr. Vansittart's plan however the proposed compensation as described by Mr Pitt is to be defeated, nay more, the Sinking Fund is to be reduced to an extent much inferior to that provided in 1802 till after the year 1830.

Here then we have the character of both the deviation in 1802, and that which Mr Vansittart proposes, as described by the Author and promoters of these several Systems.

Mr Pitt describes the scheme of 1802 as likely to diminish the Sinking Fund provided in 1792 for a number of years; just when that term is elapsed, Mr Vansittart proposes to reduce the Sinking Fund to a much greater extent for double the number of years, and this he has the impudence to hold out as a plan consistent with, and reverting to, the original System.

It is perfectly impossible to conceive how the Author of this plan can imagine that Parliament ordering the Stock purchased by the Commissioners to be cancelled, could remedy the mischiefs that would attend an accumulation of the Sinking Fund at Compound Interest.

X The facility by means of the sinking Fund of providing in time of Peace a sufficient sum in Stock, to produce £100,000,000 as a resource in case of a renewal of hostilities is here stated as one of the principal advantages of the proposed plan.

As three per cent Stock in time of war cannot be supposed to sell above sixty, upwards of One hundred and sixty Millions of three per cent Stock must be purchased in time of Peace to secure a sum capable of commanding by sales in time of war £100,000,000, and as a very few millions could be lent out in time of peace in three per cents, till that Stock was raised to par, it follows that this advantage supposes an accumulation to take place to the extent of upwards of One hundred and sixty millions sterling.

The impossibility of accumulating a Capital to such an extent without the ruin of the Country in which the attempt is made, must be obvious to those who have maturely considered this Subject.

But supposing it possible to accumulate Capital to such an extent as to be able to secure what Mr. Vansittart states to be the principal advantage of the proposed plan, it is difficult to perceive, what possible benefit he can imagine the Country could derive from it

The borrowing in three per cents at sixty in time of war, and purchasing up the Stock created at par in time of peace, has been stated to be the most ruinous system to the Country that could be pursued.—Yet this great advantage attending Mr. Vansittart's plan must be equally calamitous, as it is obvious the Country must lose just as

the present mode of Redemption should be adhered to, such a change, whenever it might take place, would, however, be attended with the disadvantage of appearing to be a Deviation from the established principles of the Sinking Fund, while in the former it would obviously be a Consequence flowing from them. In either case it is highly important that sufficient security should be preserved for the ultimate Redemption of the Debt within 45 years from its creation, according to the provisions of the Act of 1792.

X But the principal advantage of the proposed Plan, in time of peace, would be the facility of keeping in reserve the means of funding a large sum (suppose £. 100,000,000.) as a Resource in case of the renewal of hostilities.

This Fund, which would be formed in a few years by the redeemed Stock standing in the names of the Commissioners, would be continually increasing, unless checked in the manner above mentioned; and in no case should it be reduced below such a sum as may be thought amply sufficient to support the confidence of the Country at home, and to maintain its dignity abroad. It would, indeed, be such a Treasure, as no other Country has ever possessed, and the first example of an immense accumulation of Public Property, formed without the impoverishment of any individual or any embarrassment of the general circulation.—For the sake of illustrating this part

16

D

Will nobody be impoverished by a rapid diminution of the rate of Interest, which in the preceding page is stated to be the certain consequence of this measure?

part of the subject, a Table is annexed, which shews the application of the Plan to alternate periods of War and Peace.

See Table D. 1, 2, 3.

It may be observed, in favour of this Plan, that it is less liable than any other modification of the Sinking Fund, to be abused as a precedent for encroachment upon it; not only because it arises out of the principles of the Sinking Fund itself, but because it turns entirely on the application of the Stock purchased by the Commissioners, which must, in any possible arrangement of the Sinking Fund, be cancelled, sooner or later; the only question being as to time and mode.

In considering this subject, we must not forget that the great and ultimate object of the Sinking Fund is, to relieve the Nation from the burden of Taxes which would be entailed upon it by the indefinite extension of the Public Debt. It answers other collateral purposes of considerable importance; but this is its direct and immediate object. Now, as it cannot be less important to prevent the immediate Increase of Taxes, than to provide for their future possible Reduction, *that* would seem to be the best arrangement of a Sinking Fund, which, while it provided for the ultimate discharge of Debt within a certain moderate period, afforded the earliest relief to the Public, and limited the maximum of total charge within the narrowest compass.

Such

as much by purchasing Three per Cents at £100 in time of Peace to sell at £60 in time of war; as by selling Three per Cents at £60 in time of war, and purchasing them at £100 in time of Peace.

This Statement of the nature of the plan to be submitted to Parliament is drawn for the purpose of shewing, that it is formed in a manner which complys with the Enactments of the Act 1792 (page 88) and that it is consistent with the spirit of the system then adopted, though a departure from the system 1802 is admitted, and indeed the repeal of that Act is proposed.

That in its details the plan does not merit this character, must appear from the perusal of some of the foregoing notes, and it will not require much discussion to prove that in its principle it is just as complete a violation of the system established by the Act 1792, as it is admitted to be of the Act 1802.

It does not indeed propose the repeal of any part of the Act 1792, because it is already repealed, but if the Act 1802 never had passed it is certain that this plan though said to be consonant to the Enactments of the Act 1792, could not have been carried into execution without its repeal.

It is easy to envolve a subject in obscurity which few can be brought to attend to, and which still fewer from want of habit are capable without great attention of decyphering; but to those who will examine it, this scheme must appear not only inconsistent with the plans both of 1802 and 1792, but repugnant to the system of a Sinking Fund, for it is a violation of the principle upon which every plan of a Sinking Fund must proceed, that is intended to accumulate by compound Interest that is by applying the interests disengaged to the payment of debt.

With a view to shew beyond the possibility of dispute, that this is the true character of the scheme here detailed it will be necessary successively to examine — 1st — What is the source and the nature of the Funds in the possession of Commissioners of a Sinking Fund instituted for the redemption of a Public debt. — 2dly — What specifically is the nature of the Funds at present in the possession of the Commissioners for the management of the Sinking Fund as it is now by Law established. — 3dly — What is the nature of the violation of the Sinking Fund that is at present projected. — 4thly — Whether there exists any distinction betwixt the projected violation of the Sinking Fund, and any other violation that can be imagined except what relates to the magnitude of the sum to be withdrawn from it.

1st What is the source and the nature of the Funds in the possession of Commissioners of a Sinking Fund instituted for the redemption of a Public Debt?

Had it not been for the strange and unintelligible accounts which have been given of the origin, and of the nature of the Revenue placed in the hands of those who had the management of the Sinking Fund, by those who profess an enthusiastic admiration of the system, it would have appeared a subject too obvious to require explanation, but when we find the Sinking Fund, in this explanation, described as capable of forming an immense accumulation of public Property, without the impoverishment of any one (page 17) and recollect that it was formerly described as being an advantage gained by nothing, and a system likely to be attended with still greater advantages, it seems necessary to state in a plain and intelligible manner, what is the nature, and what the source of the Revenue of all Sinking Funds, created to redeem a public debt by accumulation at compound Interest.

This perhaps may be most clearly and distinctly effected by supposing that a Sinking Fund is by Law created in any Country the nature of whose debts are such that they

can be redeemed at a rate to admit of its accumulation at an Interest of 5 p^er^ Cent.

Under such circumstances we will suppose that a Million out of the Revenue is transferred to Commissioners for the purpose of redeeming the national Debt. — In the course of the first year, they will have purchased a Million of Debt, which according to the hypothesis will in the second year produce Fifty Thousand Pounds, to be expended in the same manner with the annual million appropriated; but this Fifty Thousand Pounds is neither gained out of nothing, nor is it acquired without the impoverishment of any Individual. — It is as much a part of the Revenue arising out of Taxes levied on the people, as the million a year is, which was directly transferred from the Revenue to the Commissioners. — The sole difference is, that the one is the produce of Taxes which is by Law transferred directly into the hands of the Commissioners, the other is the produce of Taxes which the Commissioners under the authority of the Law are directed to purchase for the benefit of the people, and if the Sinking Fund was to be abolished as unnecessary, the people would be of course relieved not only from the burdens of the million directly transferred, but also from the taxes which produced that Fifty Thousand Pounds which the Commissioners had acquired.

Money accumulated, as the hypothesis assumes, at five per Cent, doubles itself in fourteen years and a half; at the end of that period therefore, the Revenue at the disposal of the supposed Commissioners would amount to Two millions; one million originating from Taxes the produce of which had originally been directly transferred to them; the other million originating in like manner from Taxes, to the produce of which they had acquired a right by purchase, acting under the direction of the Law, and it is impossible to predicate of the one half of such a Sinking Fund, more than of the other half, that it is an advantage

gained

gained by nothing or that it is acquired without the impoverishment of any individual; for both alike proceed from Taxes paid by the people, both must therefore equally impoverish those who pay them, and the abolition of the Sinking Fund would in such a situation afford an opportunity to Parliament to exonerate the people from the taxes which produced the million of money paid into the hands of the Commissioners on the one account, as well as on that of the other.

In the conduct of such a Sinking Fund it must therefore appear that in no instance a Sixpence can be laid out by the Commissioners who have the management of it, but what is raised by taxation, and is therefore by Law transferred to them out of the Pockets of the people who are impoverished by the payment of it.

Secondly. — Of the Funds in the possession of the Commissioners for the management of the Sinking Fund as it is now by Law established.

With a view to the present explanation it is unnecessary to trace the History of the Sinking Fund, or to discriminate in detail the variations between the system of 1792 and that of 1802; both proceeded on the principle of accumulating by Compound Interest, and both therefore destined the Interest disengaged by purchase to the redemption of further debt.

The Revenue in the hands of the Commissioners is then of two different descriptions. — First. — The produce of Taxes which by Acts of Parliament have been directed to be annually paid to them for the redemption of the Public debt. — Secondly. — The produce of Taxes to which they have acquired a right by purchasing in the manner the Law directs.

On the 1st of February 1812, the Revenue of the first description consisted.

— First

— First. — Of one million permanently granted to be appropriated to the use of the Sinking Fund. — Secondly. — Of Two hundred Thousand Pounds, the further permanent Annual grant for the same purpose. — Thirdly. — Of Four millions three Hundred and thirty two Thousand two hundred and fifty five Pounds, being the amount of one per Cent on the Capital of the Loans raised since 1792. — Fourthly. — Of Six Hundred and twenty six Thousand two hundred and fifty five Pounds, arising from the adoption of Lord Henry Petty's Plan in the year 1807. — Fifthly. — Of Seventy nine Thousand eight hundred and eighty Pounds, the produce of Annuities expired, conveyed by Law to the Commissioners; — and Sixthly. — Of Fifty one Thousand seven hundred and eleven Pounds arising from Life Annuities fallen in or unclaimed, making in all Six Millions two hundred and ninety thousand one hundred and one Pounds x and this sum must be accurately the same on the month of February 1813, with the exception probably of a small augmentation in the Article of Life annuities fallen in or unclaimed.

At the same period, viz. on the 1st of February 1812 the Revenue of the second description consisting of the produce of Taxes, to which the Commissioners had acquired a right by purchase amounted to the

x

Permanent Grant	£1,000,000
Annual Grant	200,000
Amount of 1 per Cent on Capital raised since 1792	x4,332,255
Lord Henry Petty's Plan	626,255
Expired Annuities	79,880
Life Annuities	51,711
x Increased 1st February 1813. to £4,738,682	£6,290,101

the sum of Five millions eight hundred and fifteen Thousand one hundred and thirty nine Pounds; this sum must now however be very considerably increased by the further produce of taxes, to which a right has been acquired by purchase between the 1st of February 1812 and the present time.

Thirdly. — Of the Injury the Sinking Fund will sustain from the projected Plan.

The plan that is here proposed makes the distinction that has already been explained in detail between the Revenue in the hands of the Commissioners, arising from the produce of Taxes directly conveyed to them; and the Revenue arising from the produce of Taxes to which they have acquired a right by purchase.

The former it deems inviolable consistent with the spirit of the system established by Law and it is therefore declared "that the whole sinking Fund created "by the Act 1786, or by any subsequent "Act shall be continued and applied until "the total redemption of all debt now "existing, or to be created during the pre-"sent war!" (page 11)

The latter it contemplates as a fund which without any violation of the spirit of the system adopted in 1792 may be diverted from the object to which it is now by Law destined, and appropriated to the Public Service in any manner that may be thought beneficial. ~~[illegible]~~ Acting upon this principle it is declared "that when in future the debt contracted "in any one year is redeemed, a certificate

of

"of such redemption shall be published in
"the Gazette and laid before Parliament
"by the Commissioners; and that thereupon,
"the Stock so redeemed and standing in the
"names of the Commissioners, shall be at
"the disposal of Parliament, and liable to
"be cancelled in such proportions, and at
"such times as Parliament may direct
"to such an amount as may be necessary
"for charging upon the same Securities, the
"Dividend and Sinking Fund of any Loan
"which may have been contracted for the
"Public Service."

According to this system of the plan is adopted the Commissioners in the course of the year 1813 will advertise that all Loans contracted previous to the year 1794 are redeemed (See Table C. 3.) and the produce of the Taxes which was formerly appropriated to the payment of the Interest of these Loans, but which has now by purchase been acquired by the Commissioners, is from the time of such notice in the Gazette to be at the disposal of Parliament, for the purpose of being withdrawn from the use of the Sinking Fund, and of being appropriated to the payment of Interest, charge of management and Sinking Fund incurred by any new debt that is contracted.

On the supposition then that an addition to the charge of debt will be made this year equal to that which was made in the course of the last year it projects to abstract from the Funds in the hands of the Commissioners during the current year the sum of one million nine hundred and five thousand eight hundred and eighty three Pounds, for that was the amount of the charge added in the year 1812. —— And further proceeding on the same principle it projects that the interest disengaged by the discharge of the debt contracted

in

in any year ~~shall~~ on notice being given by the Commissioners in the Gazette shall in like manner be held subject to any appropriation by Parliament — meaning to provide for the interest charge of management and Sinking Fund, out of this Fund without laying further Taxes till it is exhausted.

Fourthly. — Of the impossibility of making any distinction, betwixt this projected violation of the Sinking Fund and any other violation, except what relates to the magnitude of the sum to be withdrawn from it.

As it has been already shown that every part of the Revenue appropriated for the redemption of the national debt, under the management of Commissioners equally arises out of the produce of Taxes paid by the subject, it is difficult to conceive upon what ground the opinion can be entertained, that it is not just as direct a violation of the system, to withdraw a given sum of the produce of taxes acquired by the Commissioners in one way, as it would be if the same sum arising from the produce of taxes acquired in another manner, should be diverted from the object to which by Law both are equally devoted.

It cannot be denied that if by an Act of Parliament One million nine hundred and five thousand eight hundred and eighty three Pounds, the sum supposed to be necessary to provide for the debt to be contracted in the current year was abstracted from the four millions three hundred and thirty two thousand two hundred and fifty five Pounds which is the present produce of that part of the Sinking Fund granted as forming one per Cent on the Loans negotiated,

since 1792, it would leave the Sinking Fund exactly in the same situation in which it will be if the proposed plan is adopted, and the same sum is assumed from the produce of those taxes to which the Commissioners have acquired a right by purchase.

It must also be admitted that as the Revenue which the Commissioners possess arising from the produce of taxes directly conveyed to them, is more than equal to the Revenue they derive from the produce of taxes to which they have obtained a right by purchase, a portion of the former might be set aside equal in amount to the portion which in compliance with this scheme the Commissioners will be bound to declare in the Gazette to be held at the disposal of Parliament; there can therefore be no object that may not be obtained by the appropriation out of the one fund, just as well as by the appropriation out of the other, whilst in both cases the Sinking Fund would remain exactly in the same situation.

The compensation proposed to be given of eight hundred and seventy thousand Pounds, — of one percent on Exchequer Bills, — and of one half of the Interest on the excess of Loans in each year, above the then amount of the Sinking Fund, however inadequate, would in either case operate exactly in the same manner; — whilst whether the money is assumed from the one species of Revenue in the hands of the Commissioners, or from the other, on the supposition that twenty eight millions are to be raised annually the Sinking Fund will be deprived betwixt the present period, and the 1st of August 1809, of more than one hundred and seventy six Millions. x — That is of a sum which supposing

x From Table A.2. it appears that the difference

supposing it employed in the redemption of three per cents at sixty would redeem £293,906,958. Stock, being £63,197,568 more than the Commissioners of the Sinking Fund have redeemed since it was originally established.

It is also obvious that in either case the amount of taxes to be imposed in future to provide for the supposed annual Loans of twenty eight Millions would be accurately the same; — But if no one possible effect can ever ensue from the assumption of the produce of taxes conveyed directly to the Commissioners different from that which will be produced by the assumption of that part of the Revenue of the Sinking Fund which the plan proposes to withdraw, the warmest advocates for this scheme must admit that the one proceeding is in every respect as great a violation as the other, whilst they will find it equally impossible to deny that a measure which deprives the Sinking Fund of the power of redeeming betwixt the present time and the year 1829 a much larger portion of debt than has been redeemed since the year 1786, must be considered as a complete infringement of the system

in the receipt of the Sinking Fund betwixt the present period and the 1st of Augt 1829 will amount to one hundred and seventy six millions three hundred and forty four thousand one hundred and seventy five Pounds less, if the projected plan is adopted, than it will be if the present system is persevered in.

Such are the leading considerations which have suggested the foregoing Plan, and the objects which it has been intended to effect. There is, however, no wish to disguise the weight, which the political circumstances of the present moment have had in recommending it; but, on the contrary, a very confident persuasion, that the more fully those circumstances are investigated, the more they will be found to enforce the expediency of such a System.

THE

THE following TABLES, marked

A. 1.—A. 2.—A. 3.
B. 1.—B. 2.—B. 3.
C. 1.—C. 2.—C. 3.
D. 1.—D. 2.—D. 3.

ARE INTENDED TO GIVE

A comparative View of The EXISTING SYSTEM, and, The PROPOSED PLAN; so far as relates to the Amount of TAXES to be imposed in each Year, —The Amount of the SINKING FUND in each Year,—and, The successive REDEMPTION of all FUNDED DEBT—on different Suppositions.

THOSE Parts of them which relate to the Proposed Plan, all assume that an annual Sum of £.867,963. equal to one-per-cent on the amount of the Stock provided for in 1802, and on which no Sinking Fund was then created, will be added to the Sinking Fund, and provided for by new Permanent Taxes: and also, that £.260,000. a year will be added to the Sinking Fund, in respect of unprovided Exchequer Bills. This latter sum is supposed to be supplied by new War Taxes, to an equal amount; and these sums together make up the amount of £.1,127,963. for which Taxes are stated in the Tables to be provided in the First year of the New Plan.

The several Loans (except in Table C.) are supposed to be raised at five-per-cent Interest, with a Sinking Fund equal to one-third of the Interest, being the Proportion applicable, according to the Act of 1792, to a three-per-cent Stock, except in those cases, in which, by the proposed Plan, a larger Sinking Fund is required.

Table

Table, A. 1.

Estimated ANNUAL and TOTAL AMOUNT of NEW TAXES, to be imposed according to the Existing SYSTEM, and according to the Proposed PLAN; on the Supposition of Annual Loans of £.28,000,000. at £.5. per cent, until the Redemption of all Funded Debt created prior to 1813.

	EXISTING SYSTEM.		PROPOSED PLAN.		EXCESS of TAXES, according to *The Existing System.*
	Annual.	*Total.*	*Annual.*	*Total.*	
1813	1,866,666	1,866,666	1,127,963	1,127,963	738,703
1814	1,866,666	3,733,332	- - -	1,127,963	2,605,369
1815	1,866,666	5,599,998	- - -	1,127,963	4,472,035
1816	1,866,666	7,466,664	- - -	1,127,963	6,338,701
1817	1,866,666	9,333,330	1,290,206	2,418,169	6,915,161
1818	1,866,666	11,199,996	676,775	3,094,944	8,105,052
1819	1,866,666	13,066,662	2,008,333	5,103,277	7,963,385
1820	1,866,666	14,933,328	1,995,833	7,099,110	7,834,218
*1821	1,800,000	16,733,328	1,987,500	9,086,610	7,646,718
1822	1,800,000	18,533,328	- - -	9,086,610	9,446,718
1823	1,800,000	20,333,328	624,431	9,711,041	10,622,287
1824	1,800,000	22,133,328	1,158,356	10,869,397	11,263,931
1825	1,800,000	23,933,328	1,979,166	12,848,563	11,084,765
1826	1,800,000	25,733,328	1,095,316	13,943,879	11,789,449
1827	1,800,000	27,533,328	618,013	14,561,892	12,971,436
1828	1,800,000	29,333,328	1,962,500	16,524,392	12,808,936
1829	1,800,000	31,133,328	210,342	16,734,734	14,398,594
1830	- - -	31,133,328	1,326,662	18,061,396	13,071,932
1831	- - -	31,133,328	886,706	18,948,102	12,185,226
1832	- - -	31,133,328	1,045,266	19,993,368	11,139,960
1833	- - -	31,133,328	724,656	20,718,024	10,415,304
1834	- - -	31,133,328	1,068,288	21,786,312	9,347,016
1835	- - -	31,133,328	1,163,211	22,949,523	8,183,805
1836	- - -	31,133,328	972,766	23,922,289	7,211,039
1837	- - -	31,133,328	434,563	24,356,852	6,776,476

* In 1821, the War Taxes pledged for the Loan of 1807 will, according to the Existing System at £. 5. per cent, be set at liberty by the Redemption of that Loan, and again become applicable to the Service of the year. The future Annual Loans are therefore reduced to £.27,000,000. and the Charge thereby occasioned to £.1,800,000; and from the year 1829, it is supposed that the Loans will be charged upon the Funds appropriated to the Consolidated Sinking Fund of 1802, which will fall in in 1830, and the several Loans which will fall in after that year; and therefore no further Taxes will be necessary.

P. 15.

Table, A. 2.

Estimated Amount of the SINKING FUND, at the 1st of August in each Year, according to the Existing SYSTEM, and according to the Proposed PLAN, upon the foregoing Suppositions.

	—	*Existing System.*	*Proposed Plan*.*	
	1813 - -	13,269,958	14,397,921	* Throughout this Column, the Sinking Fund is shewn as increased by the addition of £. 1,127,963. proposed to be made in the present year.
	1814 - -	14,423,455	13,647,817	
	1815 - -	15,634,627	12,860,207	
	1816 - -	16,906,357	12,033,217	
	1817 - -	18,241,674	11,164,877	
	1818 - -	19,643,757	11,607,837	
	1819 - -	21,115,944	11,428,842	
	1820 - -	22,661,740	12,639,033	
	1821 - -	24,284,826	13,896,609	
	1822 - -	24,718,019	15,208,314	
	1823 - -	26,426,419	14,498,729	
	1824 - -	28,220,239	14,409,318	
	1825 - -	30,103,750	14,876,057	
	1826 - -	32,081,437	16,227,984	
	1827 - -	34,158,008	16,719,465	
	1828 - -	36,338,408	16,734,351	
	1829 - -	38,627,828	18,161,693	
856,446	†1830 - -	19,745,200	17,820,656	240,512,271
	1831 - -	21,204,960	18,634,662	
	1832 - -	22,094,571	19,027,436	
	1833 - -	23,671,799	19,606,337	
	1834 - -	23,063,828	19,877,542	
	1835 - -	23,494,319	20,523,121	
	1836 - -	25,141,534	21,300,648	
	1837 - -	26,858,638	21,917,084	
	1838 - -	28,674,069		
	1839 - -	30,580,272		
	1840 - -	32,581,785		
	1841 - -	34,683,374		
	1842 - -	36,890,042		
	1843 - -	37,158,317		
	1844 - -	36,822,317		
	1845 - -	37,953,346		

† In 1830, the Sinking Fund, according to the Existing System, is reduced from £.41,031,719. its Amount on the 1st August of that year, to £.19,745,200. in consequence of the Redemption of the Debts consolidated by the Act of 1802.

A Reduction of a similar nature, but of smaller Amount, takes place on the Redemption of each subsequent Loan, the Period of which may be found in Table, A. 3.

Table, A. 3.

Statement of the Periods of Redemption of the FUNDED DEBT contracted prior to 1813, according to the Existing System, and according to the Proposed Plan; continuing the foregoing Suppositions.

LOANS.	*Existing System.*	*Proposed Plan.*
All prior to - - - 1793	1830	1813
Loan of - - - - 1793	d°	1813
1794	d°	1814
1795	d°	1816
1796	d°	1818
1797	d°	1822
1798	d°	1823
1799	d°	1824
1800	d°	1826
1801	d°	1827
1802	d°	1829
1803	1832	1829
1804	1834	1830
1805	1834	1831
1806	1835	1832
1807 { War Tax Loan	1821	1833
1807 { Supply Loan -	1837	1833
1808	1844	1833
1809	1843	1834
1810	1843	1835
1811	1845	1836
1812	1844	1837

N. B. Supposing no further Loans to be contracted after the total redemption of the Debt existing prior to 1813, and the Redemption of Debt to proceed thenceforward at £.3. per cent compound interest, the Debt remaining unredeemed in the year 1845, according to the Existing System, would be wholly redeemed in the year 1891.

And the Debt remaining unredeemed in 1837, according to the Proposed Plan, would be wholly redeemed in the year 1870.

National Debt Office, Feb. 25th, 1813. } S. HIGHAM.

Table, B. 1.

Estimated ANNUAL and TOTAL AMOUNT of NEW TAXES, to be imposed according to the Existing SYSTEM, and according to the Proposed PLAN; on the Supposition of Annual Loans of 25 Millions at £. 5. per centum, until the Redemption of all Funded Debt created prior to 1813.——*N. B.* In This, and the following Tables, it has not been thought necessary to make allowance in the calculations which relate to the Proposed Plan, for the application within the first year of the Per-Centage provided for each Loan; the operation of which has, however, been attended to in Table A. and throughout all the calculations respecting the Existing System.

	EXISTING SYSTEM.		PROPOSED PLAN.		EXCESS of TAXES, according to The *Existing System.*
	Annual.	*Total.*	*Annual.*	*Total.*	
1813	1,666,666	1,666,666	1,127,963	1,127,963	538,703
1814	1,666,666	3,333,332	- - -	1,127,963	2,205,369
1815	1,666,666	4,999,998	- - -	1,127,963	3,872,035
1816	1,666,666	6,666,664	- - -	1,127,963	5,538,701
1817	1,666,666	8,333,330	156,872	1,284,835	7,048,495
1818	1,666,666	9,999,996	455,942	1,740,777	8,259,219
1819	1,666,666	11,666,662	1,787,500	3,528,277	8,138,385
1820	1,666,666	13,333,328	1,779,166	5,307,443	8,025,885
*1821	1,600,000	14,933,328	1,766,666	7,074,109	7,859,219
1822	1,600,000	16,533,328	- - -	7,074,109	9,459 219
1823	1,600,000	18,133,328	1,086,931	8,161,040	9,972,288
1824	1,600,000	19,733,328	858,333	9,019,373	10,713,955
1825	1,600,000	21,333,328	933,356	9,952,729	11,380,599
1826	1,600,000	22,933,328	882,816	10,835,545	12,097,783
1827	1,600,000	24,533,328	1,750,000	12,585,545	11,947,783
1828	1,600,000	26,133,328	397,179	12,982,724	13,150,604
1829	1,600,000	27,733,328	1,741,666	14,724,390	13,008,938
1830	- - -	27,733,328	- - -	14,724,390	13,008,938
1831	- - -	27,733,328	1,099,504	15,823,894	11,909,434
1832	- - -	27,733,328	670,039	16,493,933	11,239,395
1833	- - -	27,733,328	832,766	17,326,699	10,406,629
1834	- - -	27,733,328	1,147,940	18,474,639	9,258,689
1835	- - -	27,733,328	1,080,882	19,555,521	8,177,807
1836	- - -	27,733,328	843,288	20,398,809	7,334,519
1837	- - -	27,733,328	942,378	21,341,187	6,392,141
1838	- - -	27,733,328	747,766	22,088,953	5,644,375
1839	- - -	27,733,328	209,563	22,298,516	5,434,812

* In 1821, the War Taxes pledged for the Loan of 1807 will, according to the Existing System at £. 5. per centum, be set at liberty by the redemption of that Loan, and again become applicable to the Service of the year. The future annual Loans are therefore reduced to £. 24,000,000. and the Charge thereby occasioned to £. 1,600,000.; and from the year 1829, it is supposed that the Loans will be charged upon the Funds appropriated to the Consolidated Sinking Fund of 1802, which will fall in in 1830, and the several Loans which will fall in after that year; and therefore no further Taxes will be necessary.

Table, B. 2.

Estimated Amount of the SINKING FUND at the 1st of August in each Year, according to the Existing System, and according to the Proposed PLAN; upon the foregoing Suppositions.

——	*Existing System.*	*Proposed Plan* *.
1813 - -	13,269,958	14,397,921
1814 - -	14,370,955	13,779,900
1815 - -	15,527,002	13,130,770
1816 - -	16,740,851	12,448,975
1817 - -	18,015,392	11,732,673
1818 - -	19,353,660	11,145,063
1819 - -	20,758,842	10,841,888
1820 - -	22,234,283	11,921,482
1821 - -	22,589,641	13,046,722
1822 - -	24,139,123	14,215,724
1823 - -	25,766,079	13,588,593
1824 - -	27,474,382	14,071,175
1825 - -	29,268,101	14,338,066
1826 - -	31,151,506	14,697,076
1827 - -	33,129,081	15,021,178
1828 - -	35,205,535	16,272,236
1829 - -	37,385,811	16,165,802
1830 - -	18,388,582	17,465,758
1831 - -	19,728,011	17,002,379
1832 - -	20,491,274	17,670,310
1833 - -	21,935,837	17,920,908
1834 - -	21,188,568	18,354,899
1835 - -	21,472,796	19,141,730
1836 - -	22,966,435	19,897,909
1837 - -	24,522,284	20,442,631
1838 - -	26,168,398	21,118,842
1839 - -	27,896,817	21,624,938
1840 - -	29,711,657	
1841 - -	31,617,239	
1842 - -	33,618,100	
1843 - -	33,670,278	
1844 - -	33,107,376	
1845 - -	34,000,158	

* Throughout this Column, the Sinking Fund is shewn as increased by the addition of £. 1,127,963. proposed to be made in the present year.

In 1830, the Sinking Fund, according to the Existing System, is reduced from £.39,675,101. to £. 18,388,582. in consequence of the Redemption of the Debts consolidated by the Act of 1802.

A Reduction of a similar nature, but of smaller Amount, takes place on the Redemption of each subsequent Loan, the Period of which may be found in Table, A. 3.

Table, B. 3.

Statement of the Periods of Redemption of the FUNDED DEBT contracted prior to 1813, according to the Existing System, and according to the Proposed Plan; continuing the foregoing Suppositions.

LOANS.	*Existing System.*	*Proposed Plan.*
All prior to - - - - 1793	1830	1813
Loan of - - - - - 1793	d°	1813
1794	d°	1814
1795	d°	1816
1796	d°	1818
1797	d°	1822
1798	d°	1824
1799	d°	1825
1800	d°	1826
1801	d°	1828
1802	d°	1830
1803	1832	1830
1804	1834	1831
1805	1834	1832
1806	1835	1833
1807 { War Tax Loan	1821	1834
1807 { Supp^y Loan -	1837	1834
1808	1844	1835
1809	1843	1836
1810	1843	1837
1811	1845	1838
1812	1844	1839

N.B. Supposing no further Loans to be contracted after the total redemption of the Debt existing prior to 1813, and the redemption of Debt to proceed thenceforward at £.3. per cent compound interest, the Debt remaining unredeemed, in the year 1845, according to the Existing System, would be wholly redeemed in the year 1891.

And the Debt remaining unredeemed in 1839, according to the Proposed Plan, would be wholly redeemed in the year 1872.

National Debt Office, Feb. 25th, 1813.

S. HIGHAM.

Table, C. 1.

Estimated ANNUAL and TOTAL AMOUNT of NEW TAXES, to be imposed according to the Existing SYSTEM, and according to the Proposed PLAN; on the Supposition of Annual Loans of 12 Millions at £.3. per cent, until the Redemption of all Funded Debt created prior to 1813.

—	EXISTING SYSTEM.		PROPOSED PLAN.		EXCESS of TAXES, according to The *Existing System.*	EXCESS of TAXES, according to The *Proposed Plan.*
	Annual.	*Total.*	*Annual.*	*Total.*		
1813	480,000	480,000	1,127,963	1,127,963	- - -	647,963
1814	480,000	960,000	- -	1,127,963	- - -	167,963
1815	480,000	1,440,000	- -	1,127,963	312,037	—
1816	480,000	1,920,000	- -	1,127,963	792,037	—
1817	480,000	2,400,000	- -	1,127,963	1,272,037	—
1818	480,000	2,880,000	- -	1,127,963	1,752,037	—
1819	480,000	3,360,000	- -	1,127,963	2,232,037	—
1820	480,000	3,840,000	- -	1,127,963	2,712,037	—
1821	480,000	4,320,000	- -	1,127,963	3,192,037	—
1822	480,000	4,800,000	- -	1,127,963	3,672,037	—
1823	480,000	5,280,000	- -	1,127,963	4,152,037	—
1824	480,000	5,760,000	- -	1,127,963	4,632,037	—
1825	480,000	6,240,000	- -	1,127,693	5,112,037	—
*1826	440,000	6,680,000	- -	1,127,963	5,552,037	—
1827	440,000	7,120,000	- -	1,127,963	5,992,037	—
1828	440,000	7,560,000	- -	1,127,963	6,432,037	—
1829	440,000	8,000,000	- -	1,127,963	6,872,037	—
1830	440,000	8,444,000	- -	1,127,963	7,312,037	—
1831	440,000	8,880,000	- -	1,127,963	7,752,037	—
1832	440,000	9,320,000	- -	1,127,963	8,192,037	—
1833	440,000	9,760,000	- -	1,127,963	8,632,037	—
1834	440,000	10,200,000	- -	1,127,963	9,072,037	—
1835	440,000	10,640,000	- -	1,127,963	9,512,037	—
1836	440,000	11,080,000	- -	1,127,963	9,952,037	—
1837	440,000	11,520,000	- -	1,127,963	10,392,037	—
1838	440,000	11,960,000	- -	1,127,963	10,832,037	—
1839	440,000	12,400,000	- -	1,127,963	11,272,037	—
1840	440,000	12,840,000	- -	1,127,963	11,712,037	—

* In 1826, the War Taxes pledged for the Loan 1807 will, according to the Existing System at £.3. per cent, be set at liberty by the redemption of that Loan, and again become applicable to the Service of the year. The future annual Loans are therefore reduced to £.11,000,000. and the Charge thereby occasioned to £.440,000.; and from the year 1840, it is supposed that the Loans will be charged upon the Funds appropriated to the Consolidated Sinking Fund of 1802, which will fall in in 1841, and the several Loans which will fall in after that year; and therefore no further Taxes will be necessary.

The rate of £.3. per cent is assumed on the abovementioned suppositions, as shewing nearly the latest period to which the Redemption could be protracted, according to the Proposed Plan.

Table, C. 2.

Estimated Amount of the SINKING FUND at the 1st August in each Year, according to the Existing System, and according to the Proposed Plan; upon the foregoing Suppositions.

—	*Existing System.*	*Proposed Plan.*†
1813 - -	13,140,495	14,268,458
1814 - -	13,658,309	14,322,111
1815 - -	14,191,658	14,377,374
1816 - -	14,741,007	14,434,295
1817 - -	15,306,837	14,492,923
1818 - -	15,889,642	14,553,310
1819 - -	16,489,931	14,615,509
1820 - -	17,108,228	14,679,574
1821 - -	17,745,074	14,745,561
1822 - -	18,401,026	14,813,527
1823 - -	19,076,656	14,883,532
1824 - -	19,772,555	14,955,637
1825 - -	20,489,331	15,029,906
1826 - -	20,033,755	15,106,403
1827 - -	20,748,067	15,185,195
1828 - -	21,483,808	15,266,350
1829 - -	22,241,622	15,349,940
1830 - -	23,022,170	15,436,038
1831 - -	23,826,135	15,524,719
1832 - -	24,654,219	15,616,060
1833 - -	25,507,145	15,710,141
1834 - -	26,385,659	15,807,045
1835 - -	27,290,528	15,906,856
1836 -	28,222,543	16,009,661
1837 - -	29,182,519	16,115,550
1838 - -	30,171,294	16,224,616
1839 - -	31,189,732	16,336,954
1840 - -	32,238,723	16,452,662
†1841 - -	12,032,665	16,571,841
1842 - -	12,506,944	16,694,596
1843 - -	12,995,452	16,821,033
1844 - -	12,855,478	16,951,263
1845 - -	13,354,442	17,085,400
1846 - -	13,868,375	17,223,562
1847 - -	12,133,666	17,365,868
1848 - -	12,610,975	17,512,444
1849 - -	13,102,604	17,663,417
1850 - -	12,413,782	17,818,919
1851 - -	12,899,495	17,979,086
1852 - -	13,399,779	18,144,058
1853 - -	13,902,600	18,313,979
1854 - -	14,432,978	18,488,998
1855 - -	14,979,267	
1856 - -	15,541,945	
1857 - -	16,121,503	
1858 - -	16,718,448	
1859 - -	17,333,301	
1860 - -	17,966,600	
1861 - -	18,618,898	
1862 - -	18,206,103	
1863 - -	17,901,520	
1864 - -	16,658,166	
1865 - -	16,498,494	
1866 - -	15,924,162	

† Throughout this Column, the Sinking Fund is shewn as increased by the addition of £.1,127,963. proposed to be made in the present year.

†. In 1841, the Sinking Fund, according to the Existing System, is reduced from £. 33,319,184. to £. 12,032,665. in consequence of the Redemption of the Debts consolidated by the Act of 1802.—A Reduction of a similar nature, but of smaller amount, takes place on the Redemption of each subsequent Loan, the Period of which may be found in Table, C. 3.

Table, C. 3.

Statement of the Periods of Redemption of the FUNDED DEBT contracted prior to 1813, according to the Existing System, and according to the Proposed Plan; continuing the foregoing Suppositions.

LOANS.	*Existing System.*	*Proposed Plan.*
All prior to - - - 1793	1841	1814
Loan of - - - - 1793	d°	1814
1794	d°	1815
1795	d°	1817
1796	d°	1821
1797	d°	1826
1798	d°	1828
1799	d°	1830
1800	d°	1832
1801	d°	1835
1802	d°	1838
1803	1844	1839
1804	1847	1840
1805	1847	1842
1806	1850	1844
1807 { War Tax Loan	1826	1845
1807 { Supply Loan -	1853	1845
1808	1865	1846
1809	1862	1848
1810	1863	1850
1811	1866	1851
1812	1864	1854

N. B. Supposing no further Loans to be contracted after the total redemption of the Debt existing prior to 1813, and the redemption of Debt to proceed thenceforward at £. 3. per cent, compound interest, the Debt remaining unredeemed, in the year 1866, according to the Existing System, would be wholly redeemed in the year 1912.

And the Debt remaining unredeemed in 1854, according to the Proposed Plan, would be wholly redeemed in the year 1875.

National Debt Office, 25th Feb. 1813. } S. HIGHAM.

Table, D. 1.

Estimated ANNUAL and TOTAL AMOUNT of NEW TAXES to be imposed according to the Existing SYSTEM, and according to the Proposed PLAN; on the Supposition of the continuance of War until the year 1820, and from thence to be succeeded by alternate Periods of Ten Years of Peace and War.—Annual Loans of £. 25,000,000. at £. 5. per centum during War: Interest at £. 4. per centum during Peace.

		EXISTING SYSTEM.		PROPOSED PLAN.		EXCESS of TAXES, according to *The Existing System.*
		Annual.	*Total.*	*Annual.*	*Total.*	
WAR.	1813	1,666,666	1,666,666	1,127,963	1,127,963	538,703
	1814	1,666,666	3,333,332	- - -	1,127,963	2,205,369
	1815	1,666,666	4,999,998	- - -	1,127,963	3,872,035
	1816	1,666,666	6,666,664	- - -	1,127,963	5,538,701
	1817	1,666,666	8,333,330	156,872	1,284,835	7,048,495
	1818	1,666,666	9,999,996	455,942	1,740,777	8,259,219
	1819	1,666,666	11,666,662	1,787,500	3,528,277	8,138,385
PEACE.	1820	- - -	11,666,662	- - -	3,528,277	8,138,385
	1821	- - -	11,666,662	- - -	3,528,277	8,138,385
	1822	- - -	11,666,662	- - -	3,528,277	8,138,385
	1823	- - -	11,666,662	- - -	3,528,277	8,138,385
	1824	- - -	11,666,662	- - -	3,528,277	8,138,385
	1825	- - -	11,666,662	- - -	3,528,277	8,138,385
	1826	- - -	11,666,662	- - -	3,528,277	8,138,385
	1827	- - -	11,666,662	- - -	3,528,277	8,138,385
	1828	- - -	11,666,662	- - -	3,528,277	8,138,385
	1829	- - -	11,666,662	- - -	3,528,277	8,138,385
WAR.	1830	1,600,000	13,266,662	- - -	3,528,277	9,738,385
	1831	1,600,000	14,866,662	- - -	3,528,277	11,338,385
	1832	- - -	14,866,662	- - -	3,528,277	11,338,385
	1833	- - -	14,866,662	- - -	3,528,277	11,338,385
	1834	- - -	14,866,662	- - -	3,528,277	11,338,385
	1835	- - -	14,866,662	- - -	3,528,277	11,338,385
	1836	- - -	14,866,662	917,199	4,445,476	10,421,186
	1837	- - -	14,866,662	1,118,382	5,563,858	9,302,804
	1838	- - -	14,866,662	880,788	6,444,646	8,422,016
	1839	- - -	14,866,662	979,878	7,424,524	7,442,138

In 1821, the War Taxes pledged for the Loan 1807 will, according to the Existing System at £. 5. per cent, be set at liberty by the Redemption of that Loan, and again become applicable to the Service of the Year. The future Annual Loans are therefore reduced to £. 24,000,000, and the Charge thereby occasioned to £. 1,600,000.; and from the year 1831, it is supposed that the Loans will be charged upon the Funds appropriated to the Consolidated Sinking Fund of 1802, which will fall in in 1832, and the several Loans which will fall in after that year; and therefore no further Taxes will be necessary.

Table, D. 2.

Estimated Amount of the SINKING FUND at the 1st of August in each Year, according to the Existing SYSTEM, and according to the Proposed PLAN, upon the foregoing Suppositions.

—	*Existing System.*	*Proposed Plan*.*
1813 - -	13,269,958	14,397,921
1814 - -	14,370,955	13,779,900
1815 - -	15,527,002	13,130,770
1816 - -	16,740,851	12,448,975
1817 - -	18,015,392	11,732,673
1818 - -	19,353,660	11,145,063
1819 - -	20,758,842	10,841,888
1820 - -	22,234,283	11,921,482
1821 - -	21,929,799	12,398,341
1822 - -	22,806,990	12,894,274
1823 - -	23,719,269	13,410,044
1824 - -	24,668,039	13,946,445
1825 - -	25,654,760	14,504,302
1826 - -	26,680,950	15,084,474
1827 - -	27,748,188	15,687,852
1828 - -	28,858,115	16,315,366
1829 - -	30,012,439	16,967,980
1830 - -	31,212,936	17,646,699
1831 - -	33,193,582	17,192,575
†1832 - -	13,986,742	16,715,537
1833 - -	15,106,079	16,214,438
1834 - -	15,638,245	15,688,076
1835 - -	16,003,485	15,135,188
1836 - -	15,796,271	14,554,447
1837 - -	15,810,884	14,907,520
1838 - -	17,021,428	15,489,488
1839 - -	18,280,027	15,851,289
1840 - -	19,614,028	16,335,433
1841 - -	20,398,589	16,988,850
1842 - -	21,214,532	17,668,404
1843 - -	22,063,113	18,375,140
1844 - -	22,945,637	
1845 - -	23,863,462	
1846 - -	22,769,273	
1847 - -	21,786,344	
1848 - -	21,885,081	
1849 - -	21,577,898	

* Throughout this Column, the Sinking Fund is shewn as increased by the addition of £. 1,127,963. proposed to be made in the present year.

† In 1832, the Sinking Fund, according to the Existing System, is reduced from £. 35,273,261. to £. 13,986,742. in consequence of the redemption of the Debts consolidated by the Act of 1802.

A Reduction of a similar nature, but of smaller Amount, takes place on the Redemption of each subsequent Loan, the Period of which may be found in Table, C. 3.

Table, D. 3.

Statement of the Periods of Redemption of the FUNDED DEBT contracted prior to 1813, according to the Existing System, and according to the Proposed Plan; continuing the foregoing Suppositions.

LOANS.	*Existing System.*	*Proposed Plan.*
All prior to - - - 1793	1832	1813
Loan of - - - - 1793	d°	1813
1794	d°	1814
1795	d°	1816
1796	d°	1818
1797	d°	1823
1798	d°	1825
1799	d°	1826
1800	d°	1828
1801	d°	1830
1802	d°	1831
1803	1834	1832
1804	1835	1833
1805	1836	1834
1806	1837	1835
1807 { War Tax Loan	1821	1836
1807 { Suppy Loan -	1839	1836
1808	1848	1837
1809	1846	1838
1810	1846	1839
1811	1849	1841
1812	1847	1843

N. B. Supposing no further Loans to be contracted after the total redemption of the Debt existing prior to 1813, and the redemption of Debt to proceed thenceforward at £. 3. per cent compound interest, the Debt remaining unredeemed, in the year 1847, according to the Existing System, would be wholly redeemed in the year 1883.

And the Debt remaining unredeemed in 1843, according to the Proposed Plan, would be wholly redeemed in the year 1869.

National Debt Office,
25th Feby 1813.

S. HIGHAM.

Luke Hansard & Sons, near Lincoln's-Inn Fields, London.

TABLES,

SHEWING

THE GRADUAL FALL IN THE VALUE OF

Bank Notes,

AND

THE INTRINSIC VALUE OF

MONEY-CONTRACTS

AT THE

DIFFERENT PERIODS OF DEPRECIATION:

BEING A

SUPPLEMENT

TO

LORD KING'S SPEECH

UPON

EARL STANHOPE'S BILL.

F

TABLE, shewing the comparative Values of Bank-notes, Standard Gold, and Wheat, at the Period of the Bank Restriction, and in the subsequent Years.

Years.	Average Amount of Bank-notes in Circulation.	Price of Standard Gold per Ounce.			Number of Guineas which 105*l.* was able to purchase according to the Market-price of Gold.	Real Value of a One Pound Note.		Average Price of Wheat per Quarter for England and Wales.			Quarters of Wheat equal to purchase one Pound Troy Weight of Standard Gold coined into $44\frac{1}{2}$ Gs.
		£.	s.	d.	Gs.	s.	d.	s.	d.		
1797	— —	3	17	$10\frac{1}{2}$	100	20	0	53	1		18 Qrs. Gold 3*l.* 18*s.* per Oz. medium Price.
1798	13,334,752	3	18	0	100	20	0	50	3	52	
1799	14,062,327	3	18	0	100	20	0	67	6		
1800	15,841,932	4	0	0	$97\frac{1}{2}$			113	7	Years of Dearth.	
1801	16,169,594	4	0	0	$97\frac{1}{2}$			118	3		
1802	17,054,454	4	0	0	$97\frac{1}{2}$			67	5		14 Qrs. and Half a Bushel. Gold 4*l.* 2*s.* per Oz. mean Price.
1803	16,847,522	4	0	0	$97\frac{1}{2}$	19	6	56	6		
1804	17,345,020	4	0	0	$97\frac{1}{2}$			60	1	70 av.	
1805	17,241,932	4	0	0	$97\frac{1}{2}$			87	10		
1806	17,135,400	4	0	0	$97\frac{1}{2}$			79	0		
1807	17,405,001	4	2	0	$95\frac{10}{82}$	19	0	73	3		Qrs. Bush. Gold at 13 $3\frac{1}{5}$ £4 2
1808	17,534,580	4	4	0	$92\frac{72}{84}$	18	6	79	0		12 $6\frac{1}{10}$ 4 4
1809	19,001,890	4	8	0	$88\frac{56}{88}$	17	$8\frac{7}{10}$	95	7		10 $7\frac{9}{10}$ 4 8
1810	22,541,510	4	11	0	$85\frac{05}{91}$	17	$1\frac{7}{10}$	106	2		10 $2\frac{1}{4}$ 4 11
1811	23,471,290	4	13	0	$83\frac{91}{93}$	16	$9\frac{2}{19}$		*		

* The great import of foreign corn in 1811 must diminish the price of the year, by adding so greatly to the supply.

SCALE to ascertain the intrinsic Value of Contracts, at the Time of the Bank Restriction, and in subsequent Years, according to the Quantity of Gold which 105l. was able to command at different Periods, and shewing the Depreciation subsequent to the Date of the Contract.

Years.	Market-price of Gold.			Number of Guineas 105*l.* was able to purchase.	Present Value of the No. of Gs. Gold being at 4*l.* 13*s.* per Ounce.			Depreciation on 100*l.* since Date of Contract.		
	£.	*s.*	*d.*	*Gs.*	*£.*	*s.*	*d.*	*£.*	*s.*	*d.*
1797	3	17	$10\frac{1}{2}$	100	125	7	10	119	8	$4\frac{3}{4}$
1798, 1799	3	18	0	$99\frac{818}{1000}$	125	3	10	119	4	$7\frac{1}{4}$
1800, 1801, 1802, 1803	4	0	0	$97\frac{343}{1000}$	122	1	3	116	5	0
1804, 1805, 1806										
1807	4	2	0	$94\frac{918}{1000}$	119	1	8	113	10	$8\frac{1}{4}$
1808	4	4	0	$92\frac{707}{1000}$	116	5	0	110	14	$3\frac{1}{2}$
1809	4	8	0	$88\frac{494}{1000}$	110	19	$3\frac{3}{4}$	105	12	6
1810	4	11	0	$85\frac{176}{1000}$	107	6	$2\frac{1}{2}$	102	3	$11\frac{1}{2}$
1811	4	13	0	$83\frac{136}{1000}$	105	0	0	100	0	0

The Report of the House of Commons states that the price of Gold Bullion, which, by the regulation of the Mint, is 3*l.* 17*s.* $10\frac{1}{2}$*d.* per oz. was, during 1806, 7, and 8, as high as 4*l.* per oz. I have given the advantage to contracts, taking it higher.

Since the restriction on cash payments in 1797, the natural check and safeguard against excessive issues of paper-currency has been removed; and it is confessed, that the Bank has not been guided in regulating the amount of their notes either by the price of gold bullion, or by the state of the foreign exchanges. All paper, not convertible into gold on demand, is in its nature liable to depreciation from excess, and the amount of such depreciation is measured by the excess of the market-price of bullion above the Mint-price. When the paper-currency is not able to purchase as much gold *as it promises to pay*, then in proportion to that smaller quantity which it can command at any given time is the depreciation of the paper. Since 1799 gold bullion has progressively advanced in price, in proportion as the real value of the note (by which the gold has been purchased) has declined.

The alteration of the intrinsic value of the currency has been so considerable, that it is become necessary, for the just and equitable liquidation of contracts made prior to the de-

preciation of the currency, or at any time during the progress of that depreciation, to ascertain the real intrinsic value of the common currency in which all contracts have been estimated, at the date of each respective agreement. For this purpose, it must be ascertained what quantity of standard gold any given sum of the common currency was able to command at the date of the agreement; and the payment of the same quantity of gold, or the value of that quantity, will be the equitable fulfilment of the contract, according to the intent and meaning of the parties. A payment in paper-money of inferior value is a payment in name only and not in reality; a payment in good and lawful money, according to the letter, may be a payment of more than was intended by the spirit of the contract.

It has been said, that no contracts since 1797 could have been expected to be paid in gold. If such contracts stipulate for payment in gold, they are nevertheless binding on the parties, and any modification must be considered as an act of favour and concession. Such contracts ought, on every principle of justice, to be fulfilled according to their spirit and meaning. The Restriction Act at first was expressly stated to be only temporary; and for ten years, there

was no important depreciation: it was not before 1808 that any serious injury was sustained. The hope that the currency would be restored to its former value, might have induced many persons to submit to a loss of five or six per cent.; but are there no limits to the endurance of an injury, and is the patient acquiescence for so long a time to be now urged as a conclusive reason against all future attempts to resist a manifest fraud and public injustice?

It appears from the first Table, that any considerable increase of the amount of notes in circulation has an obvious influence in producing an advance of the price of gold, and a correspondent diminution of the real value of the pound note. The average price of wheat for England and Wales, which from 1771 to 1785 was forty-six shillings the quarter, and from 1786 to 1797 was fifty-two shillings, has since that period, in the short space of fourteen years, experienced an advance in price greatly exceeding the advance of the whole preceding century. Before the Bank restriction, and even during the two first years, it required 18 quarters of wheat to purchase one pound weight of standard gold, which was coined into 44 guineas and a half; at subsequent periods it has required only 14 quarters and half a bushel,

12 quarters and 2 bushels, to purchase a pound weight of gold, even at the apparent high price of gold. These calculations are made on the average prices both of corn and gold for five years, and five years, omitting the two years of dearth 1800 and 1801. In the last year, 1810, the average price of wheat was 106*s.* 2*d.* the quarter, and the price of gold for that year was 4*l.* 11*s.* the ounce: it required then only 10 quarters 2 bushels and 1 peck to purchase a pound of gold; which same quantity of gold fourteen years before required no less than 18 quarters of wheat to purchase it. Considering the facts here stated, it is impossible to maintain that the price of gold has increased of late years; on the contrary, there is every reason to believe that a real and sensible diminution in the value of the precious metals has taken place, comparing them with wheat and labour, usually considered as the best criterions and standards of value.

The pound Troy is, by the regulation of the Mint, coined into 44 guineas and a half, of the weight of 5 dwts. $9\frac{32}{89}$ grs.; but guineas, if not reduced below the weight of 5 dwts. 8 grs. continue to be a legal tender. At that weight, viz. 128 grains, the pound Troy of 5760 grains is equal in weight to 45 instead of $44\frac{1}{2}$

guineas. Promissory notes and tokens of the Bank of England, to the amount of 46*l.* 14*s.* 6*d.* can virtually and lawfully be discharged only by the payment by that Corporation of 44 and a half guineas, or gold coins to that amount; and as 44 guineas and a half is only another name for a Troy pound-weight of standard gold, every 46*l.* 14*s.* 6*d.* worth of Bank-notes is an engagement to pay a Troy pound-weight of standard gold *. A Bank-note, or any paper-currency, neither has, nor can have, any value but what it derives from being a true representative, not merely of the coins of the realm, but of a *certain quantity of gold*; because the coins of the realm have themselves, and can have, no value but what they derive from the quantity of sterling gold contained in them, and the gold coins in use are legal tender so long only as they contain the quantity of gold declared by the King's proclamation to be contained in them.

In the Earl of Liverpool's Treatise on the Coins, an account is given of the different *treasons* against the pound sterling which have been committed at different times; a brief summary of which may be usefully inserted:

* From the Theory of Money, printed for S. Highley, 24, Fleet Street, 1811; a work containing a variety of useful information upon this subject.

						s. d.
1.	In the 28th year of his reign,		Edw. I.	coined 1lb. weight of silver into		20 3
2.	—	18th —	Edw. III.	—	—	22 2
3.	—	20th —	Edw. III.	—	—	22 6
4.	—	27th —	Edw. III.	—	—	25 0
5.	—	13th —	Hen. IV.	—	—	30 0
6.	—	4th —	Edw. IV.	—	—	37 6
7.	—	18th —	Hen. VIII.	—	—	45 0
8.	2d year of her reign,		Elizabeth	—	—	60 0
9.	—	43d —	Elizabeth	—	—	62 0

The reformation of the coin (in those times the only circulating medium) seems to have formed no inconsiderable part of the grievances for which Parliaments attempted to obtain redress from those Sovereigns, who, urged by their necessities, had degraded the coin for the purpose of defrauding their subjects.

Since the establishment of a more regular government, acting by general rules in the administration of the national affairs, according to the well-understood interests both of the government and people, no Sovereign of England, since the reign of Elizabeth, has had recourse to the expedient of making further innovation in the standard of the currency. The legal standard has remained unaltered ever since the time when Queen Elizabeth made the last alteration in the silver coinage, and gold has since been made the only legal tender in all payments above 25*l.* in value.

The use of the second Table is to shew, by inspection, the real quantity of gold which the current paper-money was able to purchase in any given year, that quantity, or the weight of the number of guineas in the 3d column, being, according to the spirit of the contract, the equitable payment of 105*l.*; the 4th column shews the value of the weight of gold equal to the number of guineas contained in the third column, at the price of 4*l.* 14*s.* per ounce; the 5th and last column shews the further depreciation of paper-money for every hundred pound since the date of the contract.

It would have been a much easier and shorter method to have paid the difference of the value of Bank-notes by an addition to the nominal sum equivalent to the depreciation; but this practice would have exposed the fact to daily view, and would have carried with it irresistible conviction; and the Legislature has lately interfered to prevent the depreciation from becoming thus palpable and manifest.

If gold is in demand for the payment of contracts, for instance, for the discharge of rent, it will now be necessary for the tenant to require two prices for his produce, one for gold, and another for paper; or he may, if more convenient, dispose of the whole of his produce for

the ordinary paper currency, and purchase the weight of standard gold (if gold coin cannot easily be procured) requisite to discharge his rent or bond-debts, according to the spirit of his contracts.

It has sometimes been said, that the total disappearance of gold, and universal substitution of paper in all payments, prove, that it is impossible to procure gold; but it must be recollected, that the whole question rests precisely on the inferior value of our paper-money compared with gold; and therefore, as long as any considerable difference exists in reality, it is a manifest absurdity to imagine that payments will be made indifferently in gold and paper, when one currency has been 10, 15, and even 20 per cent. less in value than the gold coin. Let the value of the paper-currency be restored to the value of the legal gold coins, and payments will again be made in gold and paper indifferently; let the opposite course be persevered in, and allow the depreciation to become so sensible that gold shall be demanded generally in preference to paper-money in satisfaction of old contracts, and in this manner the demand for gold will establish two prices, one for commodities sold for paper, and another for those sold for the gold coins.

THE END.

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