THOUGHTS

ON

FINANCE,

SUGGESTED BY

THE MEASURES OF THE PRESENT SESSION.

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BY

THE EARL OF LAUDERDALE.

THIRD EDITION.

La Finance livrée à sa propre rapacité ressemble à ces monstres de la fable, qui dans l'excès d'une faim enragée dévoroient leurs propres entrailles. PHILOSOPHIE RURALE.

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THOUGHTS ON FINANCE, &c.

THERE is no taſk more diſcouraging, from its repeated failure, than any attempt to attract public attention to the Finances of the country. It is a ſubject underſtood by few, and amuſing to none. Though intereſting to all, it exhibits views of intereſt too remote for the majority of mankind. Nay, the inferences in favour of œconomy and reform, to which an inveſtigation into the ſtate of the public expenditure conducts us, are repugnant to thoſe ſelfiſh habits which induce Miniſters to cheriſh corruption, and engage men reſpectable for talent, and independent from ſituation, to faſhion and model their political opinions in the way that ſhall beſt entitle them to a ſhare in the plunder. It is a deſperate undertaking to convince the epicure of the pernicious conſequences attending an uncontrolled indulgence in his favourite luxury; and ſomething of a ſimilar difficulty muſt accompany every attempt to criticiſe the public ex-

 penditure.

penditure. For, as the government of this country now ſtands modelled in practice, it will be difficult to find a ſingle individual in the higher, or even middling, claſſes of ſociety, who in his own perſon, or through the medium of ſome relation or friend, does not habitually prey upon the Public Revenue.

If, however, ſuch impediments may be ſurmounted; if it is poſſible to entertain a hope that attention may at laſt be given to the ſubject; there is ſomething in the aſpect of the times which may encourage us to indulge it. Theſe times, when we are gradually laying our prejudices aſide, ſeem auſpicious to the inquiry. Experience has now taught us that the Bank of England can exiſt, though the Bank of Amſterdam is under the influence of Sans-culottes. We feel that ſocial order is not extinguiſhed, and yet we know there is a republican government in France; and with that republic, ſolemnly declared capable of maintaining the accuſtomed relations of peace and amity, we have pretended to ſolicit a Treaty.—Blood and warfare are no longer regarded as the beſt means of maintaining religion; and it is believed that loans and taxes cannot now be conſidered as neceſſary for the protection of property.—It is to ſtrengthen this latter opinion that the following thoughts are thrown together, which, by offering to the public eye a ſketch of the recent management and actual ſituation of our affairs, will exhibit the evils which the folly and incapacity of Miniſters have entailed upon the country.

Lament-

Lamentations on the extent of the national debt have been ſo often repeated, it is to be feared, that whatever bears the appearance of complaint on this ſubject may be diſregarded as common-place. But let it be recollected, that the preſent ſituation of the country affords no ordinary theme. The hiſtory of this year will long remain conſpicuous in the annals of Finance. In the courſe of it there has been raiſed, as a tribute to the obſtinate perſeverance of our Miniſters in the meaſures dictated by their real or affected alarms, a ſum exceeding, as appears from the following ſtatement, Sixty millions.

Dec. 7. 1795.	By Loan	- -	£. 18,000,000
April 18. 1796.	By ditto	- - -	7,500,000
April 1796.	By funding Navy Bills	-	4,414,074
October 1796.	By funding Navy and Exchequer Bills		13,737,022
Dec. 7. 1796.	By Loan	- -	18,000,000
			£. 61,651,096

Of the effects of this the People of England are not yet conſcious; but, before long, they will feel that within the ſhort ſpace of one year, from the 7th of December 1795 to the 7th of December 1796, they have been burthened in perpetuity with the annual payment of upwards of Three millions ſeven hundred thouſand pounds.

Taxes

Taxes Dec. 7. 1795, and April 18. 1796 -	£. 1,592,000
Taxes Dec. 7. 1796 - - -	2,132,000
	£. 3,724,000

Can fourteen years enjoyment of power have ſo hardened the mind of a man, as to enable our Miniſter to reflect on the envenomed proſcriptions with which he aſſailed Lord Guilford, and regard with calm complacency the enormous exceſs of the expenditure of the preſent day? Is the ſpirit of Engliſhmen ſo cruſhed, has their patriotiſm become ſo languid, as to make them learn with indifference, that in ſo ſhort a ſpace of time taxes have been impoſed which ſurpaſs the charge created by the funded debt contracted during the firſt ſix years of the American War by nearly a million and a half, and exceed the total charge of debt, funded and unfunded, contracted during that War till the 5th of January 1782? —That theſe facts, however, are uncontrovertible, the following ſtatements will ſufficiently prove.

I.

Taxes from December 7th 1795, to ditto 1796, inclusive - - - - -	£. 3,724,000
Charge for intereſt and management on the whole debt funded between the 5th of January 1776 and ditto 1782, as appears from the Report of the Committee 1782 - - - -	2,276,359
Exceſs of Taxes for the year ending Dec. 7th, 1796,	£. 1,447,641

II.

Taxes from December 7th 1795, to ditto 1796, inclusive - - - - - -		£. 3,724,000
Intereſt on £19,662,265, being the total of unfunded debt 1782, as ſtated by the Committee 1781, at 6 per cent. - - -	£. 1,179,735	
Charge on the debt funded between the 5th Jan. 1776, and ditto 1782	2,276,359	
		3,456,094
Exceſs of Taxes from the 7th of December 1795, to ditto 1796. - - - - - -		£. 267,906

In the military hiſtory of the Britiſh nation, perhaps there is no period more conſpicuous than the War before the laſt, commonly known by the name of the Seven Years War. In this War, the enemies of England, vanquiſhed in every quarter, were obliged to purchaſe Peace, by the ceſſion of ſome of their moſt valuable colonies. Yet many of our anceſtors doubted whether theſe benefits were not dearly bought by the burdens it entailed on poſterity. Can we then obſerve with indifference, that in a year when the evacuation of Corſica, the conqueſt of the Maroons, and the uſeleſs ſacrifice of ſo many of our countrymen in the Weſt Indies, formed the moſt important military anecdotes, we have ſeen the Miniſter propoſe to Parliament, in the courſe of one day, permanent taxes on the people of this country nearly equal to the total charge of that glorious War?

Total charge of debt funded and unfunded, War 1755*	£. 2,424,104
Taxes Dec. 7. 1796 - - -	2,132,000
Total excefs - -	£. 292,104

I cannot doubt but that thefe views of our recent thoughtlefs and boundlefs profufion will awaken the attention of my countrymen. —I muft believe, that when they learn that within the fhort fpace of four years, we have added to the annual charge of the debt, a fum exceeding the total annual charge of the debt contracted from the Revolution to the year 1782, they muft wifh to hear fomething of the prefent management, and of the real fituation of their affairs.

Total charge of debt created by the prefent War -	£. 6,701,000
Total annual charge of the national debt to the 5th January 1782 † - - -	6,688,000
Excefs during the prefent War	£. 13,000

At fuch a crifis, and on fuch a fubject, to contribute towards the public information appears an important duty—a duty which is the more preffing, fince every exertion of Minifters ferves to indicate a fixed and determined fyftem of concealment and delufion, for the purpofe of keeping the Parliament, and the Public, ignorant of the fituation of the country.

* Sinclair on the Revenue, p. 88.

† Report from the Committee of Finance 1782.

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This may be thought a harfh and a ftrong accufation; but there are, unfortunately, many facts that might be ftated as overt acts, if an indictment was to be drawn againft the parties for a confpiracy to delude and deceive the country—and fome of thefe are too important to be omitted.

It may appear ridiculous to attribute much confequence to any production of a man whofe pen has ever been employed in facrificing to the prejudices of the Minifter of the day; who was as ready to enliven our ruinous exertions by an exaggerated ftate of our refources during the American War, as he was forward to proclaim the unparalleled profperity of our Finance in the laft year; but Lord Auckland's fpeech derived authority from its being received and circulated as the manifefto of a party, rather than as the fentiments of an individual; through him the Public were told in the month of May laft that there was no fum which could be ftated as outftanding and unprovided debt, though there poffibly might exift at the end of the year a fum to the amount of fix or feven millions. Yet, in the month of October, that is, within four months, a propofition was made for funding Navy, Victualling, Tranfport, and Exchequer Bills, to the amount of Fourteen millions and a half. We have fince learnt from the account before the Houfe of Commons, that if the Navy debt had not been funded, it would have exceeded, on the 30th of November, Fifteen millions; and the Minifter has admitted, that, on the 31ft of December 1796, it muft have amounted to Sixteen millions. However grofs

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this misrepresentation may appear, Lord Auckland may boast that Mr. Pitt's delusive statements on the very same subject will keep him in countenance. The English language cannot convey assertion in stronger terms than those the Minister employed on the 7th of December 1795, to assure the Parliament and the Public of his thorough conviction, after the most minute enquiry, that, in the course of the year, the Navy debt would not exceed Two millions five hundred thousand pounds. On the 18th of April 1796, when he had already issued Navy Bills to the amount of upwards of Three millions, to persevere in this declaration was impossible; but, in terms of energy, he announced, with equal certainty, that this service could not exceed Four millions; and the Public have seen him since constrained to acknowledge that it has actually exceeded Eight millions. Such attempts to deceive appear unaccountable. The certainty of detection within a limited period, seems alone sufficient to dissuade prudent men from practising them; but desperate adventurers are ever prone to adopt time-serving expedients; and we cannot be surprised that they should be resorted to by men whose rash and unthinking extravagance forced them to call Parliament together in the month of September; though between the 1st of December 1795, and the 1st of October 1796, they must have received near Forty millions. Flagrant as these instances may appear, they are yet far from the blackest in the catalogue of Ministerial deception. Early in the last Session, the Bank of England had remonstrated on the ruin which must ensue from remittances to the Emperor; and

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as under our Conſtitution, in modern practice, their controul over the public purſe is much more efficacious than that of the Parliament, all idea of a Public Loan was immediately abandoned. But ſecret engagements rendered remittances to the Emperor neceſſary; and the Miniſter reſolved to effect by ſtealth the Loan which the *veto* of the Directors of the Bank had forced him to pretend he had abandoned. What reluctance he felt in attempting to delude that ſuperior branch of our financial legiſlature, the Bank, is a matter of ſecret hiſtory; but certain it is, that, after having overcome his ſcruples on this head, he ſeems to have determined to leave no deception unpractiſed to lull ſuſpicion itſelf in the Houſes of Parliament. The terms of the following Proteſt, entered in the Journals of the Houſe of Lords, March 7th 1796, on paſſing the Vote of Credit Bill, will ſhow, that it was to that quarter the attention of Parliament was particularly called, as the ſource from which foreign remittances might take place.

" Becauſe, the extreme anxiety of his Majeſty's Miniſters to " hurry this Bill through the two Houſes of Parliament, at ſo early " a period in the Seſſion, after ſuch very liberal ſupplies already " voted, leads us to ſuſpect, that this further ſum of Two millions " and a half is immediately wanted to diſcharge ſome ſecret debts " which have been improperly contracted, or to defray the ex- " pence of ſome extravagant project, not calculated to meet the eye " of Parliament."—Under theſe circumſtances, the knowledge of

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any conſiderable expenditure from the Vote of Credit, might have awakened the attention of Parliament to further enquiry. Concealment upon this ſubject became, therefore, eſſentially neceſſary; and when in the month of April a ſtatement of the ſums expended out of the Vote of Credit before the 5th of April was called for, though deception could alone be carried on through the medium of falſehood, the Miniſter did not heſitate; and a falſe return was made to both Houſes, ſtating, that only Three hundred and forty thouſand pounds had been expended out of the Vote of Credit; though it ſince appears, by the paper laid on the table of the Houſe of Commons, that upwards of One million three hundred thouſand pounds had been paid away.

The preceding general remarks are ſtated, that the Public may ſee the enormity of the preſent expenditure, and form a juſt eſtimate of the integrity of their preſent Steward. If the magnitude of the former does not awaken their attention, I am in hopes that the ſuſpicions they muſt entertain of the latter will excite ſome inclination to enquiry, and will juſtify me in ſoliciting their attention to the following thoughts, ſuggeſted by the ſituation of our Finance, and the meaſures relative to it, during the courſe of the preſent Seſſion.

I. *Of*

I. *Of Debt created by the Loan, and Funding of Navy Bills, &c. during the preſent Seſſion.*

IN the courſe of the laſt year, the circumſtances attending the enormous expenditure of public money, occaſioned frequent debates in Parliament, in which the unparalleled amount of extraordinaries and unprovided ſervices were mentioned with that degree of cenſure, with which, in good times, and by men who felt for the privileges of Parliament, they have been ever treated. The manner, too, in which the negociation for the Loan of that Seſſion was conducted, had created ſuſpicion, produced enquiry, and ended in an attempt to criminate.

Throughout the various ſtatements, however, and during the different altercations theſe diſcuſſions occaſioned, the ſituation of our public credit was a theme on which all agreed in expreſſing ſatisfaction and joy. We had borrowed, in the fourth year of the War, ſo large a ſum as Eighteen millions, on terms more moderate than the Loan of the antecedent year, and at a rate of intereſt not exceeding 4l. 14s. When a farther ſum was thought neceſſary to defray our increaſing expences, and relieve the market from a part of the floating debt, the extent of which was deemed injurious to public credit, Seven millions five hundred thouſand pounds were obtained on terms even more favourable than the Loan of Eighteen millions;

and

and if more had been then called for, ſuch was the ſtate of the money market, it might have been procured with eaſe; indeed no man can doubt that the Miniſter could have then provided money ſufficient to cover all the extraordinaries of the year without offering any great augmentation of intereſt.

When the terms on which we thus raiſed money were contraſted with the conditions on which it was obtained in former Wars*, ſuch an impreſſion of our credit was unavoidably created as ſeemed of all things the beſt calculated to counteract, in the minds of our enemies, that confidence and preſumption which are the natural attendants on military ſucceſs. To cheriſh and foſter our reſources, to maintain, if poſſible, our credit, ought therefore more than ever to have been a primary object of miniſterial attention: the reputation of the Miniſter required it—the ſituation of the country emphatically called for it.

It may be thought, however, and perhaps with juſtice, that a little care and œconomy was the ſole aſſiſtance he could adminiſter. Schemes and projects to maintain public credit have

* During the four years of War with France, in Lord North's adminiſtration, money was borrowed at the following rate:

1779.	£. 7,000,000	at £. 5	18	6 per cent.	1781.	£. 12,000,000	at £. 5	11	0 per ct.
1780.	12,000,000	at 5	16	6 ditto.	1782.	13,500,000	at 5	17	10 ditto.

fallen

fallen into ſuch deſerved diſrepute, that an anxious attention to prevent injury was the line of conduct which prudence would have dictated as the ſafeſt that could be purſued. Important therefore as this duty appeared, a want of exertion in the Miniſter would have been a venial fault, and, compared with his actual conduct, would have deſerved praiſe. But, unfortunately for the country, I have not to accuſe Mr. Pitt of inactivity. It is his induſtry, exerted in purſuing the only two meaſures avowedly calculated to ruin our credit, that excites aſtoniſhment, and calls for reprobation.

The Bank were known to have ſuggeſted to the Miniſter, that foreign remittance was ruinous to public credit; and he had acquieſced in their opinion. The Miniſter had declared the extenſion of our unfunded debt to be deſtructive to our credit; and Parliament, by its conduct, had applauded his opinion. Yet, an unprecedented and unconſtitutional remittance of the public money to the Emperor without conſent of Parliament, and an unparalleled accumulation of unfunded debt, formed the moſt prominent features of the fiſcal operations of the year.

On no ſubject undoubtedly have prophecies oftener proved fallacious, than on the reſult of meaſures of Finance; but in no inſtance were predictions on any ſubject ever more fatally verified than thoſe of the Miniſter, the Bank, and the Parliament, in the

consequences of foreign remittance, and the extension of our unfunded debt.

From $3\frac{1}{2}$ per cent. the discount on Navy Bills gradually increased, till, in the month of September, we were reduced to issue them at a discount of 15 per cent.—and of course were borrowing money, which a little foresight in the early part of the year would have enabled us to provide at a moderate interest, at the unreasonable rate of more than 18 per cent.

£.100 will purchase in Navy Bills at 15 per cent. disc.	£. 117	12	0
Interest for 15 months, the time which by law the Bill must be discharged - - -	5	17	6
	123	9	6
Deduct capital employed - - -	100	0	0
Profit in 15 months - - -	£. 23	9	6

That is, at the rate of 18l. 15s. per cent. per annum.

Thus, not by any new or unforeseen calamity; not by the failure of any novel experiment, where the fair prospect of advantage might vindicate the attempt; but by pursuing the very means that had been marked out with reprobation by himself, and condemned by every authority antecedent to the dissolution of Parliament; Mr. Pitt brought the credit of this country to a lower ebb

ebb than it had been either during or subsequent to the American War.

That so much mischief should be done within so narrow a space of time, appears almost incredible; but the following comparative statement will prove the truth of the assertion, and display the fatal effects of the measures he pursued, in contempt of his own theories, and of the constitutional checks of Parliament.

STATEMENT of the probable Profit on a Navy Bill pending and subsequent to the American War, and of the certain Profit afforded by the discount of 15 per cent. in September last.

Profit on a Navy Bill at 13 per cent. discount, the largest during the American War.	£.	s.	d.
£.100 at 13 per cent. discount, will purchase nearly	115	0	0
Interest for 18 months at 4 per cent. being the total of interest the purchaser could expect	6	18	0
	121	18	0
Deduct capital employed	100	0	0
Profit during 2 years	21	18	0
That is, per annum	£. 10	19	0

Profit on a Navy Bill at 20 per cent. nearly the largest discount subsequent to the American War, in the month of January 1784.	£.	s.	d.
£.100 will purchase -	125	0	0
Interest for 2 years and a half at 4 per cent. being the total of interest the purchaser could expect	12	10	0
	137	10	0
Deduct capital employed	100	0	0
Profit during 3 years	37	10	0
That is, per annum	£. 12	10	0

Profit on a Navy Bill at 15 per cent. discount, issued in the month of September 1796.	£.	s.	d.
£.100 will purchase in Navy Bills, at 15 per cent. discount - - -	117	12	0
Interest for 15 months, the time which by law the Bill must be discharged	5	17	6
	123	9	6
Deduct capital employed	100	0	0
Profit in 15 months	23	9	6
That is, per annum	£. 18	15	0

The history of the country records many complaints, of the misapplication of money appropriated, of the excess of unestimated expence, and of the timid and imperceptible encroachments of designing Ministers. But, in the annals of this day, we have to

to contemplate the vaulting genius that displayed itself in the successes of Lord Chatham, breaking forth in the enormity of the constitutional infringements of his son, and the pecuniary calamity it created. Under his management, this country, that used to pride itself on the security it derived from the controul its representatives exercised over the public purse, has witnessed debts to an extent antecedently unthought of, contracted without the consent of Parliament; money, to an amount unheard of, remitted to a Foreign Power without its authority *: and it must now feel that the National Credit, which was the object of our pride, has, by these means, during a short recess, been brought into such a state as to become the theme of our lamentation.

In good times, the boldest of Ministers would, under such circumstances, have trembled to meet the real Representatives of the People; but our Minister was too well acquainted with the Parliament, he had so recently formed, to feel any such anxiety. To judge by the conduct pursued, we can hardly suspect that he deemed the situation sufficiently important to command his attention, or be-

* In a country where the circulation is carried on by specie, the effects of a forced foreign remittance are not so much to be dreaded: there, a demand from abroad for £.1,200,000 only deprives them of circulating medium to that extent; with us, a similar remittance withdraws from circulation, not £. 1,200,000, but such a sum of paper as £. 1,200,000 in cash, on the usual system of Banking, is capable of circulating.

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lieve that he did not carelefsly adopt the fchemes of fome interefted follower: for, if it had been given as a tafk to devife a plan for the confideration of Parliament, whofe fatal effects on credit fhould drown in the public recollection the injuries already done it; a better difplay of ingenuity could not have been made, than in the arrangement propofed relative to the unfunded debt.

We have feen that the immoderate gain the holders of Navy Bills acquired, originated from the extent of difcount on iffuing the Bills.

The Public were, at the meeting of Parliament, in poffeffion of the dear-bought advantage of holding the money till the bills became due at 4 per cent. and money could not be obtained on terms fo reafonable; but even this fole and comparatively trifling advantage was now to be done away.

If Mr. Pitt, without the fanction of Parliament, had already given much to the Navy Holders, he now propofed with its concurrence to give them a little more. If public credit had fuffered even from the appearance of borrowing money at the rate of 18 per cent. it was now to experience a more fatal blow, by an arrangement that gave to the creditor fuch a profit, during his holding the bill, as appears almoft fabulous. Yet true it is, by the meafure of funding the Navy, brought forward, and fpeedily digefted by a confiding

Parliament, the Nation now pays near 6 per cent. for money which they might for a time have held at 4; and the Creditors, as the following ſtatement will prove, made in ſome inſtances an intereſt exceeding any thing the iron voice of Uſury ever demanded from the moſt thoughtleſs prodigal.

Statement of the Intereſt made on a Navy Bill, bought in the Beginning of September, ſuppoſing it to be funded, agreeable to the Act of Parliament, in the 5 per Cents. at $2\frac{1}{2}$ below 88.

Intereſt on 100l. for 60 days, at 4 per cent. - -	£. 0	13	0
Intereſt on ditto from the 30th of October to the 12th of December, being 43 days - - - -	0	9	5
Premium of $2\frac{1}{2}$ per cent. on each 100l. ſtock in the 5 per cents. valued at 88; or on 113l. 13s. ſtock, which is equivalent to 100l. in money	2	17	0
Diſcount at 15 per cent. - - - - - - - - -	15	0	0
	£. 18	19	5

£. 18. 19s. 5d. on 85l. the purchaſe money of the Navy Bill, is at the rate, on 100l. of 22l. 6s. 3d.; and the intereſt of 22l. 6s. 3d. on 100l. for 60 days, would be, for a year, at the rate of 135l. 16s. per cent.

It is not however alone the loſs ſuſtained by the reſult that deſerves

deſerves attention; the management of this buſineſs creates the ſtrongeſt impreſſion of the incapacity of thoſe by whom it was conducted, and exhibits a neglect of intereſt, which the deſire of an immediate ſupply has often produced in a thoughtleſs individual, to a degree hitherto unknown in any public concern.

Formerly it had been an object of much controverſy, whether the national intereſt was beſt conſulted in borrowing money by creating a large capital and a ſmall intereſt, as in the 3 per cents; or by augmenting the intereſt, and comparatively diminiſhing the capital, as in the 4 and 5 per cents: but theſe trivial diſtinctions were now thought unworthy the attention of the People's Repreſentatives. In the true ſpirit of indifference that attends approaching bankruptcy, the choice of the ſecurity was by the following propoſal left to the Public Creditor, the perſon of all others to whom it ſeems moſt improper for Parliament to have delegated the truſt.

Price of 3, 4 and 5 per Cents. at which Navy and Exchequer Bills, &c. were propoſed to be funded. The Holder of the Bill to have the Selection of the Stock.

1ſt Claſs,	5 per cents. 84 4 per cents. 72 3 per cents. 56	3d Claſs,	5 per cents. 85 4 per cents. 73 3 per cents. 57
2d Claſs, comprehending Exchequer Bills,	5 per cents. $84\frac{1}{2}$ 4 per cents. $72\frac{1}{2}$ 3 per cents. $56\frac{1}{2}$	4th Claſs,	5 per cents. $85\frac{1}{2}$ 4 per cents. $73\frac{1}{2}$ 3 per cents. $57\frac{1}{2}$

In

In ſo important a concern as the funding of nearly fifteen millions, if it could be thought adviſable to leave any thing to the choice of the creditor, the Public had at leaſt a right to expect that the ſcale of prices ſubmitted to his option would have been regulated upon ſome fixed principle, and that the compenſation by ſaving in intereſt in the 3 per cents for increaſe of capital over the 4 per cents. and 5 per cents. would have been proportionate in the different claſſes; but the following Table will ſhow that, with a thorough contempt for every thing like care and attention, the prices were ſo arranged, that the compenſation in ſaving in intereſt increaſes in proportion as the capital for which it is given diminiſhes; and that to ſuch an extent, that in the firſt claſs a ſaving of twelve ſhillings in intereſt is regarded as equivalent to an increaſe of capital of 59l. 11s.; whereas, in the laſt claſs, twelve ſhillings and eight-pence in intereſt becomes the compenſation for only 56l. 19s.

TABLE ſhowing the Capital and Intereſt created in the different Claſſes of Navy and Exchequer Bills funded; with a View of the Compenſation the Public acquire by ſaving in Intereſt in the 4 and 5 per Cents, for the Augmentation of Capital created in the 3 per Cents. and a Statement of the Errors in the 2d, 3d, and 4th Claſs, on the ſuppoſition that the Proportions in the 1ſt are accurate.

	Capital created.	Intereſt.	Statement of the Exceſs of Capital created in the 3 per cents. over the 4 and 5 per cents. and of the Compenſation in Intereſt ſaved to the Public to indemnify them for the additional Capital granted.			Statement of the Compenſation in Intereſt that ought to have been allowed for the Augmentation of Capital in the 2d, 3d, and 4th Claſſes, provided the Proportions are right in the firſt.		
				Exceſs of Capital.	Saving in Intereſt.	Saving there ought to have been in Intereſt if the proportion in the 1ſt claſs had been obſerved		
1ſt Claſs.	*1ſt Claſs.* £. s.	*1ſt Claſs.* £. s. d.	*1ſt Claſs.*	£. s.	s. d.		*2d Claſs.* s. d.	*Difference.* s. d.
Navy Bill of £. 100 funded in 3 per cents. at 56, will create in Stock a Debt of - - -	178 12	5 7 1	Exceſs of the Capital created in the 3 per cents. over the 4	39 14	4 0		3 11	0 3
Do. in the 4 per cents. at 72 - - - -	138 18	5 11 1	Do. above 5 per cents. - -	59 11	12 0		11 10	0 4
Do. in the 5 per cents. at 84 - - - -	119 1	5 19 0						
2d Claſs.	*2d Claſs.*	*2d Claſs.*	*2d Claſs.*					
Navy Bill of £. 100 funded in the 3 per cents. at 56 : 10, will create in Stock a Debt of -	177 0	5 6 2	Exceſs of the Capital created in the 3 per cents. over the 4	39 2	4 2		3 11	0 5
Do. in the 4 per cents. at 72 : 10, - - -	137 18	5 10 4	Do. above 5 per cents. - -	58 13	12 2		11 10	0 7
Do. in the 5 per cents. at 84 : 10, - - -	118 7	5 18 4						
3d Claſs.	*3d Claſs.*	*3d Claſs.*	*3d Claſs.*					
Navy Bill of £. 100 funded in 3 per cents. at 57, will create in Stock a Debt of - -	175 9	5 5 3	Exceſs of the Capital created in the 3 per cents. over the 4	38 9	4 4		3 10	0 8
Do. in the 4 per cents. at 73, - - -	137 0	5 9 7	Do. above 5 per cents. - -	57 16	12 5		11 6	1 2
Do. in the 5 per cents. at 85, - -	117 13	5 17 8						
4th Claſs.	*4th Claſs.*	*4th Claſs.*	*4th Claſs.*					
Navy Bill of £. 100 funded in 3 per cents. at 57 : 10, will create in Stock a Debt of -	173 18	5 4 4	Exceſs of the Capital created in the 3 per cents. over the 4	37 17	4 6			
Do. in the 4 per cents. at 73 : 10, - -	136 1	5 8 10	Do. above 5 per cents. - -	56 19	12 8			
Do. in the 5 per cents. at 85 : 10, -	116 19	5 17 0						

There is no ſhape in which this plan for diſpoſing of the unfunded debt can be viewed, that does not excite our aſtoniſhment at the inability or the careleſſneſs of the Miniſters who ſubmitted it to Parliament. As the law of this country now ſtands, whether the Bills were ſubſcribed into 3, 4, or 5 per cents; by the one per cent. ſinking fund on the capital created, the debt is extinguiſhed in the courſe of nearly forty years: every funded debt therefore contracted, may be conſidered as the grant of an annuity for forty years, of a ſum equal in amount to the intereſt paid, and the ſinking fund eſtabliſhed.

From this it follows, that it was evidently the duty of the guardians of the public purſe, to regulate the price of the different ſtocks tendered to the option of the creditor, in ſuch a manner as to create in intereſt and ſinking fund, an annuity to a ſimilar extent in each *.

* This muſt always be the caſe when the price of Stocks is taken at the following proportions:

5 per cents. to 3 per cents. as 3 to 2.
4 per cents. to 3 per cents. as 5 to 4.
5 per cents. to 4 per cents. as 6 to 5.

Prices at which the Stock was tendered to the different Claſſes, and at which it ought to have been taken to produce an equal Charge in Intereſt and Sinking Fund.

Price of Stock as tendered to the different claſſes.	Prices at which the 3 and 4 per cents ought to have been taken to produce a charge for ſinking fund and intereſt, exactly equal to that which is created by the 5 per cents. at the price at which they were taken.	Prices at which the 3 and 5 per cents ought to have been taken to produce a charge for ſinking fund and intereſt, exactly equal to that which is created by the 4 per cents. at the price at which they were taken.	Price at which the 4 and 5 per cents ought to have been taken to produce a charge for ſinking fund and intereſt, exactly equal to that which is created by the 3 per cents. at the price at which they were taken.
1ſt Claſs.	*1ſt Claſs.*	*1ſt Claſs.*	*1ſt Claſs.*
5 per cents. 84	5 per cents. 84	4 per cents. 72	3 per cents. 56
4 per cents. 72	4 per cents. 70	5 per cents. 86 8	4 per cents. 70
3 per cents. 56	3 per cents. 56	3 per cents. 57 12	5 per cents. 84
2d Claſs.	*2d Claſs.*	*2d Claſs.*	*2d Claſs.*
5 per cents. 84 10	5 per cents. 84 10	4 per cents. 72 10	3 per cents. 56 10
4 per cents. 72 10	4 per cents. 70 8 4	5 per cents. 87	4 per cents. 70 12 6
3 per cents. 56 10	3 per cents. 56 6 8	3 per cents. 58	5 per cents. 84 15
3d Claſs.	*3d Claſs.*	*3d Claſs.*	*3d Claſs.*
5 per cents. 85	5 per cents. 85	4 per cents. 73	3 per cents. 57
4 per cents. 73	4 per cents. 70 16 8	5 per cents. 87 12	4 per cents. 71 5
3 per cents. 57	3 per cents. 56 13 4	3 per cents. 58 8	5 per cents. 85 10
4th Claſs.	*4th Claſs.*	*4th Claſs.*	*4th Claſs.*
5 per cents. 85 10	5 per cents. 85 10	4 per cents. 73 10	3 per cents. 57 10
4 per cents. 73 10	4 per cents. 71 5	5 per cents. 88 4	4 per cents. 71 17 6
3 per cents. 57 10	3 per cents. 57	3 per cents. 58 16	5 per cents. 86 5

In no one claſs, however, and indeed in no ſingle inſtance, except in the price of 3 and 5 per cents. in the firſt claſs, has this arrangement been adopted: and the following ſtatement of the prices in the laſt claſs will ſhow the nature of the option given; and prove that a confiding Parliament, by the advice of a careleſs or ignorant Miniſter, have left it in the power of the Creditor, to occaſion to the Public, by his choice, a loſs of no leſs than $3\frac{1}{2}$ per cent.

Statement ſhowing the Price at which the Stocks were taken in the 4th Claſs, together with the Capital, Intereſt, Sinking Fund, and conſequent Annuity created, with the Value of the additional Annuity which the Public will pay for the Stock created in 3 per cents. above that in 4 per cents, and for the Stock created in 5 per cents. above that in 3 per cents. and 4 per cents.

	Capital.		Intereſt.			Sinking Fund.			Annuity created by Intereſt and Sinking Fund.		
Bill of 100l. funded	£.	s.	£.	s.	d.	£.	s.	d.	£.	s.	d.
in 3 per cents. at $57\frac{1}{2}$	173	18	5	4	4	1	14	9	6	19	1
Do. in 4 do. at $73\frac{1}{2}$	136	1	5	8	10	1	7	$2\frac{1}{4}$	6	16	$0\frac{1}{4}$
Do. in 5 do. at $85\frac{1}{2}$	116	19	5	17	0	1	3	$4\frac{1}{2}$	7	0	4

	s.	d.	Value of the different Annuities for 40 Years. £.	s.
From this it follows that the Exceſs of Annuity paid to the perſon who ſubſcribes into 5 per cents. over the Annuity created by a perſon ſubſcribing into 3 per cents. is	1	3	1	1
That the Exceſs of Annuity paid to a perſon ſubſcribing into 3 per cents. over that paid to the man who chooſes 4 per cents. is	3	$0\frac{3}{4}$	2	12
And that the Exceſs of Annuity paid to the man who chooſes 5 per cents. over that received by the perſon ſelecting 4 per cents. is not leſs than	4	$3\frac{3}{4}$	3	13

Such was the concluſion of a tranſaction as extraordinary in its origin, as it was ſingular in its progreſs; for if it ſeems ſtrange that a Miniſter ſhould perſevere in the very line he had marked out as the road to ruin, without calling for the aſſiſtance of Parliament to counteract

counteract it; it is no leſs unaccountable, that the only thing he ſhould recommend to Parliament when it met, was a plan for raiſing the intereſt of the unfunded debt, the holders of which had already pillaged ſo much by the diſcount; and it is hardly to be credited, that under theſe circumſtances, the plan he ſubmitted ſhould leave it to the option of the Creditor, whether the additional burthen on the Public ſhould be $3\frac{1}{2}$ per cent. more or leſs.

A more unfortunate ſeries of meaſures, as preparatory to the negociating of a Loan, cannot eaſily be imagined. Having permitted the moneyed intereſt to indulge in ſuch extravagant profits, the Miniſter could hardly expect to treat with them on reaſonable terms. One advantage, however, attended our ſituation—The leaſe of the Money Market was expiring, and Mr. Pitt was at laſt at liberty to try that principle of negociating a Loan by open competition, which he had praiſed ſo much, and practiſed ſo little; but the fatal effects of his meaſures, in his own apprehenſion, now rendered this favourite expedient impracticable. The ſituation of the country made it neceſſary to have recourſe to a meaſure tinctured with "the "character and genius of arbitrary finance;" and if he did not practiſe, he, at leaſt, threatened us with "the wild ſtruggles and "plunges of deſpotiſm and diſtreſs." For, after repeated delays, and when the public attention had been occupied by reports of forced loans, proportioned to the aſſeſſed taxes paid, the livery

ſervants

ſervants kept, or the income enjoyed by an individual, he at laſt ſent the following letter to the Bank:

Downing-Street, Wedneſday, Nov. 30. 1796.

Gentlemen,

Under the preſent circumſtances, it ſeems of peculiar importance that a mode ſhould be adopted for the providing for the ſervice of the enſuing year, without incurring ſo heavy an annual charge, and ſo great an increaſe of capital, as would attend a loan, made in the accuſtomed manner, at the preſent price of the funds.

With this view, it is in contemplation to propoſe to Parliament, that all perſons poſſeſſed of a certain income, ſhould be *required* to lend a certain proportion of it, ſay one fourth, to be repaid at the period and on the terms ſtated in the incloſed memorandum.

There is great reaſon to hope, that many perſons poſſeſſed of conſiderable income, both in the capital and in the country, will be induced, without waiting for this meaſure being enforced, voluntarily to contribute in a larger proportion than would be *required* of them; but the extent of ſuch a contribution will, in a great degree, depend upon the effect of example, and particularly on the degree of countenance which the meaſure may receive from the Bank.

I will

I will requeſt the favour of you to lay theſe conſiderations before the Court of Directors in the firſt inſtance, and after, if they think fit, before the Court of Proprietors, and to expreſs my earneſt hope, that, from their zeal for the public ſervice, and their ſenſe of the importance of the preſent criſis, they will not be diſinclined to take the lead in a meaſure which muſt have the moſt beneficial effect on public credit, and the moſt evident tendency to accelerate the reſtoration of Peace on ſecure and honourable terms.

I have the honour to be, &c. &c. &c.

W. PITT.

From this letter did the People of this country, for the firſt time, learn that a Miniſter dared to harbour an idea of a FORCED LOAN. On the impolicy of ſuch a meaſure, it is needleſs to remark, a propoſition could not have been made leſs congenial with the ſuppoſed character of the Britiſh Government, or more deſtructive of that reſpect for property which ought to animate a commercial country.

As a queſtion of political œconomy, however, it demands a little conſideration; and in this point of view, I know not which of the alternatives held forth in the letter have the greateſt tendency to diminiſh the wealth of the country. A Loan, filled by the forced ſeizure of a proportionate part of the Capital of all, muſt be in a high degree deſtructive of National opulence. A Loan, filled by the

the enthusiastic dictates of Patriotism, may be more so; and a little investigation will teach us, that in whatever situation the country may be placed, interest is the only principle on which a Financier with safety can excite subscriptions to his Loan.

When, by Legislative power, we force contributions to a Loan from the various Capitals of individuals in equal proportions, without relation to the manner in which they are employed, we obviously abstract, from the produce of a future year, an interest on the sum borrowed at the rate of the average produce of the whole Capital. If the Loan is to be filled by a call on the patriotism of the community; as the patriotic feelings of those who reap the greatest benefits from the subsisting situation of things are likely to be most alive to the demand, it is to be dreaded that we may displace a share of the most productive part of our Capital. But a Loan to the same extent, raised by voluntary subscription, when the interest of the individual dictates the offer, can only draw off, from the produce of another year, a sum equal to the extent of the profit made by a similar share of the least productive part of our Capital.

This may appear obscure when stated in the abstract; but there is nothing more clearly founded in truth, or more distinctly susceptible of demonstration.

Let us for a moment suppose, that the Capital of any Nation amounts

amounts to a Hundred Millions, and that it is employed so as to render an annual produce as follows:

Capital employed.			Re-production.	Total Re-production.
£. 20,000,000	so as to return	13 per cent. that is,	£. 2,600,000	£. 9,000,000, one-tenth of which is £. 900,000.
20,000,000	ditto.	11 per cent. ditto.	2,200,000	
20,000,000	ditto.	9 per cent. ditto.	1,800,000	
20,000,000	ditto.	7 per cent. ditto.	1,400,000	
20,000,000	ditto.	5 per cent. ditto	1,000,000	

If the necessities of such a country required an immediate supply of ten millions, interest could alone induce the proprietors of that part of the capital which produced 5 per cent. to subscribe to a loan opened at $6\frac{1}{2}$; and this measure of finance could therefore only derange a re-production of 500,000l. But if two millions are taken by force out of each of the twenty millions, the consequence will undoubtedly be the derangement of the re-production of 900,000l. And if patriotism should lead the proprietors of the most productive part of our capital to subscribe ten millions of their property, it would impede a re-production to the extent of 1,300,000l.

To discover the accurate produce of the different branches of our capital, or the proportions into which it is divided, with their various rates of re-production, is impossible; but there are some things that follow from this view of the subject with certainty.

 First,

First, That money raiſed by aſſuming a proportion of the capital of all, muſt occaſion a greater loſs to every country than a ſum of a ſimilar extent borrowed by voluntary ſubſcription, except we can find a nation where the whole capital is ſo employed as to produce equally.

Secondly, That the meaſure of that loſs muſt be a per centage on the ſum borrowed, equal to the difference betwixt the produce of the leaſt productive part of the capital, and the average produce of the whole.

Thirdly, That the loſs ſuſtained by a ſubſcription filled from patriotic enthuſiaſm, may, and moſt probably will, be ſtill more conſiderable.

In this country we may pronounce with confidence, that ſuch a meaſure, if reſorted to, muſt be ruinous. In all opulent and commercial nations there is a variety of uſes of capital; and perhaps there is none whoſe ſpirit of enterpriſe has created more channels for the employment of its wealth, and where of courſe its reproduction muſt be ſo infinitely varied.

Theſe obſervations were called for by the principles contained in the Miniſter's letter, and a dread that they may be reſorted to in practice at no very remote period: for the following memorandum

inclosed

inclofed in it, relieved the Nation from any apprehenfion that on this occafion it would be neceffary to have recourfe to force, or that he meant to truft entirely to the patriotic enthufiafm of the City.

Loan for the Service of the Year 1797.

Every perfon fubfcribing 100l. to receive 112l. 10s. in 5 per cent. ftock, to be irredeemable, unlefs with the confent of the owner, until the expiration of three years after the prefent 5 per cents. fhall have been redeemed or reduced; but with an option in the holder, to be paid at par, at any fhorter period, but not lefs than two years from the conclufion of the definitive Treaty of Peace.

Payment in either cafe to be made in money, or, at the option of the holder, in 3 per cent. ftock, valued at 75l.

The firft payment on the 13th of January, the fecond in March, the remaining inftalments between March and the October following.

The receipts not to be iffuable till after the fecond inftalment, or till after 20l. has been depofited on each 100l. Difcount as ufual on prompt payment.

Intereft to commence from the 10th of October 1796.

By this propofal an intereft of 5l. 17s. per. cent. was offered to the

the Subſcriber for the money advanced; but what is much more important in theſe hazardous times, the right he acquired to demand his money in two years after Peace, gave ſecurity to his property; and if Peace is made within the year, it enſures, for the three years he is bound to lend his money, an annual profit, as the following ſtatement will ſhow, of upwards of 11 per cent.

Statement of the Profits on the Loan, if Peace is made within One Year.

Capital in 5 per cent. Stock, repayment of which in money, according to the terms of the propoſal, may be demanded by the Subſcribers two years after Peace - - -				£.112	10	0
Sum ſubſcribed by the Lender - -	£.100	0				
Deduct diſcount for prompt payment	£. 3	0				
Deduct a quarter of a year's dividend due at the time of making the payment; the Intereſt on 112l. 10s. commencing in October 1796 -	1	8				
Remain - - - - -			4	8		
Remains the ſum advanced by the Subſcriber					95	12	0
The Subſcriber therefore acquires an increaſe of Capital to the extent of - - - -					16	18	0
During the 3 years he will receive in Intereſt three times 5l. 12s. 6d. that is - - - -					16	17	6
Total Profit of the Subſcriber in 3 years - -					33	15	6
That is, in one year - - -				£.11	5	2
But if 95l. 12s. gives 11l. 5s. 2d. 100l. will produce					11	15	6

To compare the 5 per cent. ſtock thus created with any of the exiſting ſtocks, is ridiculous; the comparative ſecurity it affords is what creates its value, and renders it deſirable. Calculations have indeed been exhibited, ſhowing the loſs that the Subſcriber would ſuſtain on the ſuppoſition the funds riſe to a great extent within two years after a Peace: thoſe, however, who recollect the price of ſtock two years after the American War, can hardly expect a great increaſe ſubſequent to this. But, in truth, the ſame obſervation was applicable to the Navy Bills iſſued by Lord North at the end of the American War. As they were expected to remain three years due, the holder of the bill was equally liable to be deprived of the benefit that might ariſe from the intermediate advance of ſtock. Yet, this was uniformly treated as the moſt extravagant tranſaction of that Miniſter: though the following comparative ſtatement will ſhow, that the profit, by holding this ſtock for three years, is, in a trifling degree, inferior to the profit acquired by the Navy Bills of that day, even on the ſuppoſition of their being iſſued at a diſcount of 20 per cent.

Annual profit on a Navy Bill of 100l. at 20 per cent. diſcount, ſubſequent to the American War, of which payment was not to be expected for 3 years. (See page 15.) - -	£. 12	10	0	Annual produce of 100l. laid out in the new 5 per cent. ſtock, upon the ſuppoſition the Subſcriber receives his money in 3 years. (See page 30.) - -	£. 11	15	6

If the obligation to pay off at par, in two years after Peace, renders this newly-created ſtock advantageous in the extreme, even on the ſuppo-

ſuppoſition that the War is terminated in one year, it is needleſs to uſe argument to prove how much more valuable a condition becomes that gives ſecurity, if our reſources are to be exhauſted, and our ſtocks ſtill more depreſſed, by a continuation of warfare.

When we ſee doubt entertained whether terms ſuch as theſe are extravagant, can we look back at the poſition on which public credit ſtood in the month of April laſt, when any ſum of money might have been borrowed at 4l. 14s., and applaud the management that has produced ſo extraordinary a change?

If there can exiſt heſitation in condemning the ſhifts and ſchemes that have been reſorted to, let it be recollected, that it follows as a reſult from what has been ſtated, that within the laſt three months the Miniſter has given to the monied intereſt, an opportunity of making a permanent profit of upwards of 40 per cent. as the following ſtatement will ſhow:

Statement of the Profit made by 85l. veſted in Navy Bills in the beginning of September, realized in Caſh ſubſequent to the Funding, and afterwards ſubſcribed into the New Loan.

Advanced for purchaſing a Navy Bill £.	85	0	0	
Profit on funding in 5 per cent. in the terms of the propoſal, as ſtated in p. 18.	18	19	5	
Capital augmented by the profit on 85l. to ——— £.	103	19	5	

The

The above 103l. 19s. 5d. ſubſcribed into the new 5 per cent. ſtock, will produce a capital of -	£. 122	7	0
Deduct the 85l. originally employed - - -	85	0	0
Remains profit on 85l. - - £.	37	7	0

But if 85l. gives 37l. 7s. 100l. will produce 43l. 18s.*

Such is (I cannot call it the profit) the enormous pillage that has been permitted out of the Public Treaſury. Impartiality cannot review this ſhort ſtatement, and abſtain from cenſure. Penſioned gratitude, from a penury of objects to praiſe, may be driven to exclaim, "That if the finances can be repaired, the preſent Miniſter is the man to repair them †!" But Mr. Burke may reſt aſſured, that, except his own politics, there is nothing appears to a common underſtanding ſo likely to ruin the country, and enſure a Revolution, as Mr. Pitt's operations in Finance.

* This is the profit that might have been made, provided the 5 per cents had not fallen ſubſequent to the propoſal for Funding the Navy. In fact, they fell immediately near 2 per cent. which will occaſion a diminution eaſily calculated.

† See Letters on a Regicide Peace.

II. *Of the Debt contracted during the War, and the Means provided for discharging it; with a General View of our Finance on a Supposition of Peace, and the Consequences resulting from our extended Revenue.*

NEXT to the State of Public Credit, the most important standard by which we may judge of the good condition of a Nation with regard to its Finances, is the Adequacy of the Revenue to defray the necessary charges of establishments.

Having therefore briefly stated the measures recently adopted in relation to our credit, and displayed their consequences, I propose, shortly, to consider the sufficiency of the provision made to defray the charge created during the War; and to compare our receipts and expenditure, on the idea that hostilities will be terminated in the course of the present year, as well as on the more probable supposition, that the prejudices of our Ministers, and their incapacity to negociate, (created by a recollection of their conduct and opinions), will delay the restoration of Peace for a longer period.

In providing for the expences of a War, the mode of raising money by funding is the least calculated to produce any immediate sensation of disgust in the people: large sums are thus obtained for small annual taxes, and the expenditure of the money raised, becomes,

comes, at once, a source of occupation and profit to many, whilst the feeling of the duties imposed, is more a matter of remote apprehension, than of immediate pressure. Not content, however, with the advantages the system naturally affords to the pursuit of War—Ministers, by unproductive taxes, delay the possibility of feeling the real extent of hardships; whilst, by secretly increasing the expenditure, they at once augment the employments and benefits they have to bestow, and diminish, even in appearance, the ultimate burdens the necessity of further impositions must create.

Hence the difficulty, that has ever existed, of ascertaining, during a War, the actual charge, and, of course, of comparing the existing receipt and expenditure.

We were flattered, indeed, from the practice the Minister had avowed, and the precaution Parliament had taken, that this difficulty would have been, in some degree, obviated. The clause in the Consolidation Act, by which the produce of all our new impositions, and the amount of the interest and charge of all future loans, is submitted in a distinct and separate form to Parliament at the beginning of each Session, was undoubtedly calculated to excite attention to any alarming deficiency in the Taxes recently imposed; and the determination, the Minister announced, of providing, by anticipation, for the extraordinaries of the current year, on the supposition they would be equal to those of the last, afforded some

 security

ſecurity that Taxes would be laid ſufficient to cover the probable expenditure.

Parliament, however, has ſeen deficiencies ſtated with indifference; the Miniſter has deſerted his practice; and the Public derives as little advantage from the enactments of the Conſolidation Act, as from the determination of the Miniſter. But it is not the old difficulties ariſing from neglected deficiencies of taxes and the variety of increaſing arrears and unprovided ſervices only that ſtand in the way of accuracy in aſcertaining the charge and receipt at any given period. The unparalleled rapidity with which additions to our debt have been made, is an impediment peculiar to the preſent moment. Out of taxes to the amount of £. 6,701,000, which the War has occaſioned, we have had no experience that can lead to any probable concluſion concerning the produce of ſo large a portion as £. 3,724,000. We know that the taxes in 1793—4—5 were given to produce £. 2,848,000; and we have ſeen in one year, ending the 10th of October 1796, a very large deficiency:—to aſſume a proportional failure in the taxes ſince laid on, would exhibit our revenue in an alarming ſtate; yet we cannot reflect that the deficiency of taxes has ever augmented as they have been multiplied, without dreading a ſtill greater diminution; and our apprehenſions on this ſubject muſt be increaſed by finding ſo large a proportion of the new revenue collected on commodities, on which the duties, during the laſt Peace, were diminiſhed for the purpoſe of augmenting the receipt. Theſe conſiderations

Statement No. I. Page 37. if the Account of the Receipt had been made for One Year ending the 5th of January 1797 would stand as follows

Charge & Receipt created since the Year 1792.

The Articles of the Charge the same as in Page 37.

1793. Produce of Duties imposed in this Year for one Year ending 5. January 1797.	£166.813.—
1794. Produce of Duties imposed this Year for Do.	818.868.—
1795. Produce of Duties imposed this Year for Do.	1.332.794.—
1796. Taxes estimated to produce.	1.592.000.—
1797. Taxes estimated to produce.	2.132.000.
Sum formerly provided for Interest of Exchequer Bills now paid off.	155.000.
Total	£6.197.475.—

Total . . £6.824.852.

Additional Charge since the War	£6.824.852
Additional Receipt	6.197.475.
Deficiency	£ 627.377.

Statement No. II. Page 38. if the Receipt was made up for One Year ending 5th January 1797. would be as follows—.

Total Amount of the Charge and Receipt on the Supposition, the New Taxes on Spirits, Home and Foreign had produced in the Year ending 5th January 1797. as much as the Year ending 10th October 1795.

Total Charge as in Stat. No. I	£6.824.852.
Total Charge	£6.824.852—
Total Receipt	6.330.753.
Deficiency	£ 494.099.

Total increase of Receipt since the War, as in Statement No. I.	£6.197.475.
Add estimated loss by Stoppage of Distilleries	133.278.
	£6.330.753.

Statement No. 4. Page 41. if the Account had been made up to 5th January 1797.

Amount of deficiency in Receipt as explained Stat. No. II.	£494.099.
Interest Sinking Fund, and Charge of Management on £9.451.624. at the same rate as the Loan of this Year.	634.770.
	£1.128.869.

would authorife a very melancholy view of our fituation. But in the following ftatements it is intended, as much as poffible, to avoid fpeculation, and to place every thing in as favourable a point of view as truth will admit. In ftating, therefore, the receipt, the taxes of the 7th of December 1795, of the 18th of April and 7th of December 1796, are admitted to produce the fums for which they were given, though the moft fanguine perfon cannot contemplate either their nature or amount without dreading the extent of the future deficiency. With this obfervation, the following account of the receipt and expenditure created fince the War is fubmitted:

STATEMENT, No. I.

Charge and Receipt, created fince the year 1792.

1793. Annual charge created for Intereft, Management, and Sinking Fund, by the Loan of this year * - - - - £.		252,812	
1794. Annual charge created by Intereft, &c. on the Loan, and by Funding of Navy * -		773,324	
1795. Annual charge by Loan and Funding of Navy * - - - - -		1,227,415	
1796. Annual charge by Loan and Funding of Navy * - - - -		1,834,354	
1797. Intereft, &c. on the total Navy Debt and Exchequer Bills, if Funded in the 3 per cents. according to the propofal £.	1,033,847		
Intereft, &c. &c. on Loan -	1,215,000		
Intereft of Exchequer Bills -	275,000		
Provifion for future Navy Debt	202,500		
		2,726,347	
Charge created by the repeal of the Burial and Glove Tax - - - -		10,600	
		£. 6,824,852	

1793. Produce of Duties impofed in this year, for for one year ending Oct. 10th, 1796 † £.	141,846
1794. Produce of Duties impofed this year for ditto, deducting what belongs to the old Taxes on Bills, Receipts, and Paper † - -	770,454
1795. Produce of Duties impofed this year for ditto, including the eftimated Produce of the Regulation concerning Franking † -	1,412,366
1796. Taxes eftimated to produce - -	1,592,000
1797. Taxes eftimated to produce - -	2,132,000
Sum formerly provided for Intereft of Exchequer Bills, now paid off ‡ - -	155,000
£.	6,203,666

Additional charge fince the War - - £.	6,824,852
Additional receipt fince the War	6,203,666
Deficiency - £.	621,186

* Account delivered to Parliament, as required by the 27 Geo. III. c. 13.

† Account of the nett Produce of all the permanent Taxes.

‡ Appendix N, Committee of Finance 1786.

In this account, which exhibits a deficiency of £. 621,186, the full produce of the taxes 1793—4—5, for one year ending the 10th of October 1796, is allowed without any deduction; and the only objection that can be foreſeen to the reſult it preſents, ariſes from the ſtoppage of the diſtilleries. To eſtimate the preciſe loſs the revenue has ſuſtained from this circumſtance, is attended with difficulty; the want of home-made ſpirits muſt increaſe the conſumption of, and conſequently the duty on, every other ſpecies of liquor. The liberality, however, of the allowance in the following ſtatement can hardly be diſputed:

STATEMENT, No. II.

Shewing the Total Amount of the Charge and Receipt created ſince the War, on the ſuppoſition the New Taxes on Home and Foreign Spirits had produced, in the year ending 10th of October 1796, as much as the year ending 10th October 1795.

Total Annual Charge created ſince the War, as in Statement No. I.	£. 6,824,852	Total Increaſe of Receipt ſince the War, as in Statement No. I.	£. 6,203,666
		Add eſtimated Loſs by the Stoppage of the Diſtilleries - - - - -	209,581
Total charge	£. 6,824,852		£. 6,413,247
Total receipt	6,413,247		
Deficiency	£. 411,605		

Thus, after making every poſſible allowance to the receipt of the new Taxes, for the loſs ſuſtained by ſtopping the diſtilleries, there appears a larger deficiency in the proviſion to ſuſtain the annual charge occaſioned by this War, than the Committee of the Houſe of Commons 1782, reported to exiſt in the Taxes laid on to defray the charge of the American War.

Deficiency,

Deficiency, as appears Statement No. II. in the Taxes laid during this War - - - -	£ 411,605
Deficiency, as by Report of the Committee 1782 on the Taxes impoſed during the American War -	395,931
Exceſs of Deficiency in this War - -	£. 15,674

It is impoſſible the Miniſter can urge any ſolid excuſe for not having provided Taxes in the Budget of the year to cover this deficiency of £. 411,605.* The principle on which he, in conjunction with others, made the Report of the Committee 1782, announces it as his duty. The ſpirit of the clauſe in the Conſolidation Act, from which he has claimed ſo much merit, preſcribed it as a taſk; and had he not abandoned the practice of which he had boaſted at the beginning of the War, he muſt have performed it.

But this is not the ſole practice, to which he was pledged, that has been relinquiſhed for the convenience of the moment; nor is the above the only deficiency he has left unprovided to effect a temporary concealment of the burdens his meaſures have rendered it neceſſary to entail on the People. The rule adopted in the Budgets at the commencement of the War, in calculating the amount of the future charge for which Taxes were to be provided, was to eſtimate the Extraordinaries of the enſuing year as equal to thoſe of the laſt. The recent additions to our naval and military eſtabliſhments, to the number and importance of our enemies, as well as the uniformly

* In the Budget, the Eaſt India Company was ſtated to have undertaken the payment of £. 112,500 of this deficiency; but the Miniſter had as little reaſon to think they would, as to believe they could, with any degree of propriety, undertake ſuch an annual payment.

increaſing

increaſing ſcale of expence, which this and every other War has exhibited, would have juſtified the Miniſter in rejecting it * as inadequate. But, in defiance of experience, and in contempt of every concluſion authorized by reaſon, the Miniſter has aſſumed, in his calculations, the certainty of a great diminution in our expenditure; the following comparative ſtatements will ſhew, that the extent of the proviſion for Extraordinaries during the enſuing year falls ſhort of what was incurred in the antecedent, no leſs than £. 9,401,627.

STATEMENT, No. III.

Expenditure on account of Army, Navy, and Ordnance, 1797.

Amount that ought to have been provided for on the ſuppoſition that the Extraordinaries of 1797 are as great as in the antecedent year.			Amount as ſtated by the Miniſter in the Budget, December 7th, 1796.		
Navy.			Navy.		
120,000 Seamen -	£. 6,240,000		120,000 Seamen -	£. 6,240,000	
Building, Rebuilding, &c.	768,000		Building, Rebuilding, &c.	768,000	
Extra Navy - - - -	653,573		Extra Navy - -	653,573	
Navy Bills, &c. - -	8,200,000		Navy Bills, &c. - -	5,500,000	
Total		15,861,573	Total		13,161,573
Army.			Army.		
Eſtimate - - -	6,613,000		Eſtimate - - -	6,613,000	
Extras - - -	6,000,000		Extras - - -	3,000,000	
Received from the Vote of Credit - -	2,500,000		Total		9,613,000
Total		15,113,000	Ordnance.		
Ordnance.			Eſtimate - - - - -		1,009,024
Eſtimate - -	1,009,024				£. 23,783,597
Unprovided Service, the ſame as in 1795 † -	1,201,624				
Total		2,210,648			
		£. 33,185,221			

Amount of the Sum that ought to have been provided for -	£. 33,185,221
Sum provided for - - - - - -	23,783,597
	£. 9,401,624

* Compariſon of the War Expenditure for four years of the three laſt Wars:

In 1745,	£. 7,137,733.	In 1759,	£. 13,403,637.	In 1779,	£. 17,033,685.
1746,	7,583,227.	1760,	14,916,114.	1780,	19,722,755.
1747,	8,265,582.	1761,	16,160,756.	1781,	21,570,325.
1748,	8,824,775.	1762,	16,355,190.	1782,	21,689,325.

† Parliament has as yet no account of the total unprovided Service 1796.

To diminiſh, therefore, in appearance, the Taxes which the War muſt create, the Miniſter has not only left unprovided a deficiency to the amount of £.411,605, as explained in Statement No. II, but he has kept out of view an expenditure of £.9,401,624, for which he ought to have provided Taxes on the principle he laid down, and uniformly practiſed, till, ſtartled by the magnitude of the charge, he ſhrunk from the taſk he had himſelf preſcribed. Thus the deficiency in the proviſion made, even on the ſuppoſition that upwards of £. 3,700,000 of new and untried Taxes ſhould, contrary to all reaſon and experience, produce to the extent for which they were given, amounts, as appears by the following ſtatement, to £.1,046,375.

STATEMENT, No. IV.

SUM for which additional Taxes ought to have been impoſed in the laſt Budget to cover the Charge at the End of the preſent Year.

Amount of deficiency in Receipt, as explained in Statement No. II.	£. 411,605
Intereſt Sinking Fund, and Charge of Management on £. 9,401,624, at the ſame Rate as the Loan of this Year - - -	634,770
	£. 1,046,375

There is no view of the ſubject that can afford a ſtronger proof of our preſent unparalleled expenditure, and of the raſh precipitation with which we are hurrying on to ruin. The Miniſter has this year propoſed to Parliament, impoſitions to the extent of £. 2,133,000, yet it appears he has left £. 1,046,000, for which further Taxes ought to have been impoſed. Thus, in a year when

the

the people of this country have been ſubjected to perpetual Taxes to the extent of three times the amount that any former Miniſter ever ventured in one year to impoſe, they have the mortification to find, that the Chancellor of the Exchequer has left a ſum unprovided, far exceeding the Taxes propoſed in one year by any of his predeceſſors, and nearly double the amount of impoſts which the moſt calamitous years of our hiſtory have rendered neceſſary. Plain facts ſuch as theſe convey the moſt ſolid reply to all the myſterious declamation concerning the management of the Finance to which we are habituated. It is not a difficult taſk for a Miniſter with bold aſſertion and artful concealment to furniſh Statements, that for a time may keep his partiſans in countenance, and perplex the underſtanding of the nation. Men of leſs talent, and certainly under leſs temptation, than the preſent Miniſter, have ſucceeded in the practice. The ſpeculation is not a bad one. Deceit, backed by power and authority, has too often triumphed over truth not to make it a common one; and the complication of which details on Finance are ſuſceptible, points that ſubject out as fit for the experiment. In the preſent inſtance, it required little diſcernment to perceive, that great aſſiſtance would be derived from the prejudices of the community, in propagating the opinion, that the Taxes of the year covered every remaining charge. For, without minute inveſtigation, it was impoſſible to believe, that after laying on Taxes exceeding in amount Two millions, he ſhould have left a Million unprovided for.

Having

Having thus briefly, but too truly, diſplayed our ſituation with reſpect to the charge and receipt created by the War; the general ſtate of our receipt and expenditure, in the event of Peace, comes next to be conſidered.

All ſpeculations concerning future Peace Eſtabliſhments muſt be, in a degree, uncertain. The great increaſe which paſt experience would teach us to expect, even on the articles of Navy, Army, and Ordnance, will appear from the following compariſon:

STATEMENT, No. V.

Comparative Statement of the Expence of Army, Navy, and Ordnance, during the following Years of Peace:

1751,	£. 2,014,751	Average £. 2,003,501	1764,	£. 4,021,546	Average £. 3,643,110	1786,	£. 4,759,357	Average £. 4,700,364
1752,	2,009,029		1765,	3,433,056		1787,	4,447,057	
1753,	1,941,729		1766,	3,642,158		1788,	4,889,965	
1754,	2,048,495		1767,	3,475,683		1789,	4,705,076	

In conformity, however, to the deſire of placing every thing in as favourable a point of view as poſſible, the actual average of the laſt Peace Eſtabliſhment is adopted, in the following Statement, with the addition of £. 500,000, which muſt appear moderate in the extreme, when we conſider the great increaſe of expence that will be occaſioned by the Barrack Service, and the additional Half-pay of the Army, Navy, and Ordnance.

STATE-

STATEMENT, No. VI.

Shewing the Total Produce of the Old and New Revenue, and the Total probable Charge in the Event of Peace. In this Account the Produce of the Taxes 1793—4—5, is ſtated for one Year ending the 10th of October 1796; and the Taxes 1796 and 1797 are admitted to produce the Sum for which they were given.

Average Annual Expenditure during the laſt Peace, from the year 1786 to the year 1791 -	No. 1. £. 16,854,229		
Deduct the Charge as eſtimated by the Committee on £. 5,500,000 Exchequer Bills ſince paid off -	No. 2. 155,000		16,699,229
Sum Annually voted for the Sinking Fund and not provided for - - - -			200,000
Additional Peace Eſtabliſhment - -			500,000
Total Charge created by Loans and Funding of the Navy before October 1796 No. 3. - -			4,087,906
Charge in reſpect of Intereſt and Sinking Fund, created by funding £. 14,654,391—Navy Victualling, and Exchequer Bills on the ſuppoſition they are ſubſcribed into 3 per cents. - -			1,033,847
Intereſt and Sinking Fund on a Loan of £. 18,000,000 December 7th 1796 - - -			1,215,000
Intereſt on £. 5,500,000 Exchequer Bills, at 5 per cent.			275,000
Intereſt on a Sum of £. 3,000,000, future Navy Debt provided for in Budget Dec. 7th 1796 -			202,500
Total			£. 24,213,482

Produce of the Old Taxes, for one year ending 10th October 1796 -	£. 12,798,326		
Allowance for Loſs by Diſtilleries -	554,181		
Corn Bounties paid out of the Cuſtoms	449,381		
Bounties to Seamen - -	51,491		
	No. 1.		13,853,379
Received from the Duties 1793, 1794, 1795, for one year ending the 10th October 1796 - -	No. 2. 2,284,666		
Allowance for Loſs by Diſtilleries	No. 3. 209,581		
			2,494,247
Eſtimated Amount of Taxes 1796 - -			1,592,000
Eſtimated Amount of Taxes propoſed Dec. 7th 1796, for the ſervice of the year 1797 - -			2,132,000
Land and Malt as eſtimated by the Committee -			2,558,000
Total No. 4.			£. 22,629,626
Total Expenditure -	£. 24,213,482		
Total Receipt - -	22,629,626		
Deficiency - -	£. 1,583,856		

No. 1. See the Report of Committee 1791, page 8.
No. 2. See Appendix N, Committee 1796.
No. 3. Account of all Addition to the Public Debt as required by the 72d Section of the 27th Geo. III. cap. 13.

No. 1. This is copied from the Paper before the Houſe of Commons.
No. 2. This is the Produce as ſtated to Parliament in the Paper entitled The Neit Produce of the Taxes for one Year, ending 10th of October 1796, deducting from the Taxes 1794, 1ſt. from the Total Produce of Paper £. 75,000; 2d. from the Duties of Bills and Receipts £. 128,600; both of theſe Sums being included in the Produce of the Old Taxes as above ſtated.
No. 3. This Allowance is made on the Suppoſition, that if the Diſtilleries had been open, the Tax on Home and Foreign Spirits, for the year ending 10th of October 1796, would have equalled the Receipt of the ſame Duties for the year ending 10th October 1795; even if there had been a full Year's Receipt in the latter Period on the Duties impoſed in 1795.
No. 4. Nothing can be added to this, except a Share of the Produce of a 53d Week—about £. 34,000.

It is impoſſible to look at this account without concern, and without feeling ſubſtantial cauſe of alarm for the ſituation of the country. So far from exhibiting any ſurplus, the people of England have the mortification to ſee, that after all the burdenſome taxes to which they have been lately ſubjected, there would remain in the event of Peace a de-

Year ending 5th January 1797.

Statement No. 4. made up for the Year ending 5 Jan. 1797.

The Articles of Charge the Same as in Page 44.

Produce of the old Taxes, for one Year ending the 5. January 1797 —	X £12,958,439.	
Allowance for Diſtilleries. —	602,658.	
Corn Bounties —	579,418.	
Bounties to Seamen. —	23,648.	14,158,165.
Received from the Duties 1793, 4-5 for one Year ending the 5 January 1797. —	X 2,318,475.	
Allowance for Diſtilleries.	133,278	2,451,753.
Eſtimated Amount of Taxes 1796. —		1,592,000.
Eſtimated Amount of Taxes propoſed Dec. 7. 1796. for the ſervice of 1797.		2,132,000.
Land & Malt as eſtimated by the Committee —		2,558,000.
Total.	£ 22,891,918.	
Total. - -	£ 24,213,482.	

Total Expenditure — £ 24,213,482
Total Receipt — 22,891,918.
Deficiency. — £. 1,321,564.

X If in the Sum of £ 12,958,439 the total produce of the Post Office Revenue is included without deducting £ 40,000 the eſtimated produce of the Regulation for franking as it is taken Credit for in the Sum of £ 2,318,475 it must be taken from the Total of Receipts.

Year ending 5th January 1797 —

Deficiency as in Stat. No. . . of the Year ending 5 Jan. 1797. £1,321,564 —
Interest, Charge of Management, and Sinking Fund, at the same Rate as the Loan of this Year, on £9,401,624, which, it has been shown in Stat. No. 3. &c. &c. . . 634,770

Total Deficiency. — £ 1,956,334.

Statement No. 7. Page 46. of the Account had been made for the Year ending 5th January 1797 would have been as follows —

Total Expenditure as in Statement No. 6. £24,213,482.
Charge of Management &c. on £9,401,624 No. 3. 634,770.
Charge &c. on £15,000,000. 1,012,500.

Total Expenditure £ 25,860,752.

Total Receipt of Revenue as in Statement No. 6 for the Year ending 5 January 1795. £ 22,891,918

Total Expenditure — £25,860,752
Total Receipt — 22,891,918.

Deficiency. — £ 2,968,834.

Deficiency as appears Page 46. from the Account made up to 10th Oct. 1796 for one Year — £3,231,126.
Deficiency as in the above Account for one Year ending 5 Jan: 1797. — 2,968,834
Augmentation of Revenue in the Year ending 5 January 1797. — £ 262,292

a deficiency to the amount of £. 1,583,856; and this without stating any provision for the further sum of Extraordinaries, for which, it has been shown in Statement No. III, Taxes ought to have been imposed. Allowing for this further charge, which undoubtedly should be included, the real deficiency in the event of Peace would be as follows:

Deficiency, as in Statement No. VI, - -	£. 1,583,856
Interest, Charge of Management, and Sinking Fund, at the same rate as the Loan of this Year, on £. 9,401,624, which, it has been shown in Statement No. III, ought to have been provided for, -	634,770
Total Deficiency, - - -	£. 2,218,626

Large as this may appear, the statement from which it results includes no provision for the necessary expence attendant on winding up a War expenditure. The writers on this subject who are the most moderate in their calculations, no where estimate this at less than half a year's War expence; and the experience of past times would support a much more extravagant allowance. Estimating it in this way, as it has been shown that the present annual expenditure of Army, Navy, and Ordnance alone, amounts to upwards of £. 30,000,000 *; before the final account of the War therefore can be closed, we must allow for the necessary charge that will attend an addition to our Debt, to the extent of at least £. 15,000,000; which,

* See Statement No. III.

if

if it can be obtained on the ſame terms with the Loan of this year, will create an annual charge of £. 1,012,500. The National Receipt and Expenditure will then ſtand as follows:

STATEMENT, No. VII.

Shewing the Total Produce of the Revenue, and the Total probable Charge, on the Suppoſition that the Sums neceſſary for the Extraordinaries of this Year, and for winding up the War Expenditure, are provided for.

Total Expenditure as in Statement No. VI. - -	£. 24,213,482	Total Receipt of Revenue, as in Statement No. VI. - -	£. 22,629,626
Charge of Management, Intereſt, &c. on £. 9,401,624 for the Extras of this year, as explained in Statement No. III. - - -	634,770	Total Expenditure £. 25,860,752 Total Receipt - 22,629,626	
Charge of Management, Intereſt, &c. on £. 15,000,000, neceſſary for winding up the War Expenditure	1,012,500	Deficiency £. 3,231,126	
Total Expenditure	£. 25,860,752		

The rapid and unparalleled augmentation of the War expenditure, renders it difficult with accuracy to aſcertain what additional charge will be occaſioned by our perſevering in hoſtilities for another year; but when we know that within theſe two years we have added upwards of £. 4,500,000 * in perpetuity to the annual charge, we cannot ſuppoſe it will be leſs than £. 2,000,000 per ann.

The increaſe of the number of our enemies, and of the intereſt of money, would authoriſe our looking forward to a much greater ſum. On the ſuppoſition, however, that it may be carried on with the annual addition of £. 2,000,000 to the permanent charge, as it has been ſhewn, in Statement No. VII, that if Peace is reſtored at the end of

* See Statement No. I.

this

this year, the deficiency in the receipt to be ſupplied by new Taxes muſt be £. 3,231,126, and the total expenditure £. 25,860,725—It follows that, if this conteſt is perſevered in, Taxes muſt be provided, and the Peace expenditure increaſed to the following extent:

	New Taxes.	Amount of Peace Expenditure.
If to the end of 1798,	£. 5,231,126	£. 27,860,725
1799,	7,231,126	29,860,725
1800,	9,231,126	31,860,725

But it is needleſs to anticipate calamity; ſufficient for the day is the evil thereof. A Revenue of £. 25,000,000, from ſo ſmall a population and territory as this country contains, may be collected. But the hiſtory of man furniſhes no example of it. In the year 1768, Mr. Burke declared, "That no man had conſidered the "Finance of France with any degree of attention or information, "but muſt hourly look for ſome extraordinary convulſion in the "whole ſyſtem, the effect of which on France, and even on all "Europe, it was difficult to conjecture." Dr. Adam Smith about this time ſtates the Revenue of France, from the beſt information he could obtain, to amount to £. 15,000,000, and that of England to £. 10,000,000; but our permanent Peace expenditure now creates the neceſſity of a Revenue larger than that of both countries at the time when Mr. Burke diſcerned the ſeeds of a Revolution in the Revenue of France.—Even in this ſituation, I doubt not that Miniſters, whoſe paſt conduct has ſhut the door to all

* Obſervations on a late State of the Nation.

reaſon-

reaſonable hope of honeſt fame, regardleſs of futurity, may blunder on from Seſſion to Seſſion, enjoying the pitiful proſpect of a few more years of power and emolument. But there is no thinking man who muſt not tremble for the fate of the country, and look forward with doubt and heſitation at the poſſibility of our retaining, under the preſſure of ſuch accumulated taxation, that weight and importance as a nation which we have hitherto enjoyed.

The modern ſyſtem of Funding prevents all immediate feeling of the calamities of War. Taxes come gradually and ſlowly into payment.—It is true the induſtry of man is turned from productive to unproductive labour, and large portions of our capital withdrawn from that order of expenditure which by its encouragement to reproduction is calculated to maintain and increaſe national wealth: but the forced circulation, which the expenditure of the War creates, gives a falſe impreſſion both of our revenue and commerce, and flatters for the moment with the deluſive hope of undiminiſhed Wealth.

In this ſtate, Miniſters may indulge in ſpecious paradoxes. Their partiſans may applaud the ingenuity of propoſitions they do not underſtand. National proſperity may be ſtated as the cauſe of our national embarraſſment; and exploded nonſenſe concerning the want of circulating medium, detailed with eloquence, may command the admiration of a confiding Parliament. But he is a bold man who can view the period of returning Peace, when the War

expenditure

expenditure vaniſhes, and all the various Taxes neceſſary for raiſing a permanent Revenue of £. 25,000,000, are brought to bear on the people of this country, with ſanguine and confident hope of our undiminiſhed proſperity; and he is a raſh man in the extreme, who flatters himſelf that any apology can exiſt for carrying the experiment to a ſtill greater length.

The effects of this extenſion of our Debt on that Conſtitution, the War was undertaken to preſerve, is perhaps ſtill more alarming. I heſitate not to ſay, that, even in our preſent ſituation, it becomes a matter of indifference, whether it is a Monarchy, an Ariſtocracy, a Republic, or a Mixed Government—Were it the faireſt form of conſtituted authority the mind of man ever conceived, with a revenue of £. 25,000,000, it muſt be a Deſpotiſm; that is, the perſon poſſeſſing the management and controul over ſo large a proportion of the national income, muſt regulate with deſpotic authority the actions and the conduct of his countrymen.

The power incident to property, and the neceſſity of maintaining a proper balance in its diſtribution, was formerly a more favourite topic than it has been of late. It is to be regretted that thoſe who proſecuted this enquiry did not live at a period when the progreſs of human knowledge, by furniſhing them with a more accurate idea of the nature of property, would have enabled them to ſtart their ſpeculation from a more commanding point.

But,

But, whether with Harrington we confine our ideas of property to land, or more accurately confider it as including every thing which forms the object of defire of any human being, and is capable of being enjoyed by his fellow-creature; all power over another, attendant on the poffeffion of property, muft arife either from the actual or expected communication of a part of it. From the manner all property is ufed, there obviouffy arife two diftinct fources of its communication to others—the expenditure neceffarily incident to the management and collection, and the fubfequent expenditure of its nett produce. Now, the Funding Syftem, politically confidered, is a device by which the power attendant on the total expenditure of a portion of the National Capital, is taken out of the hands of the People, and divided between the Government and the National Creditor, in fuch a manner that the former enjoys what appertains to management and collection, the latter what arifes from the expenditure of the nett produce. To eftimate with accuracy the proportional importance of the fhare which by this means Government retains and the Creditor acquires, would lead to an inveftigation too extenfive. But a comparifon of the power enjoyed by the poffeffion of an eftate where the proprietor never refides, and which of courfe muft arife from the management and collection, with the power derived from the expenditure of the nett produce in the various places he may felect for his refidence, muft fuggeft to us, that the fhare of power acquired by Government from this divifion, is infinitely greater than that attained by the Creditor. Confidering it, however,

however, for the fake of argument, as a fair and equal divifion, it follows, that, as the *War Expenditure* now exceeds twenty-five millions, and the Revenue that muft be collected amounts to that fum, thofe who conduct the Government are at prefent in poffeffion of more power than would attend a property of Twenty-five millions a year; and that, on the return of Peace, they will be in the permanent poffeffion of the power attending the management and collection of this fum, which, on the fuppofition that this laft is only equal to the power attending the expenditure of the nett produce, muft be fuch a fhare of power as a property of Twelve millions five hundred thoufand would command.

If Mr. Hume exerted his ingenuity to defcribe the increafe of dependence created by property in a ftate of combination, above that which it commands in a ftate of difperfion—if to him the power enjoyed by a man of One hundred thoufand a year, feemed to exceed fo wonderfully the proportion of power enjoyed by a hundred men of One thoufand a year—to what conclufion would his reafoning have led him, had he contemplated fuch an extended property vefted in the hands of a Minifter? Can any man believe that he would have differed from me in pronouncing, that it muft be attended with defpotic authority?—If Harrington (regarding his Oceana with all that fond partiality with which man naturally views the offfpring of his own mind) deemed a Million a year the largeft revenue the State could enjoy with fafety to his model of a

 perfect

perfect Commonwealth—what opinion muſt he have entertained of our Government in its preſent ſtate? Is it probable that he would be diſpoſed to differ much on the effects of ſuch accumulated Revenue, when we find him with anxiety recording, that, in the 21ſt year of the Republic of Oceana, the Commonwealth being worth One million a-year, and "the Revenue being ſuch as was able to be a "yearly purchaſer, gave a jealouſy that by this means the balance "of the Commonwealth, conſiſting in private fortunes, might be "eaten out; whence this year is famous for that Law, whereby "the Senate and the People, forbidding any further purchaſe of "lands to the Public within the dominions of Oceana, and the "adjacent provinces, put the agrarian upon the Commonwealth "herſelf!"

The aim of modern political writers ſeems to reſemble that of the ancient moraliſts, to captivate by animated deſcriptions of the benefits attending the form of Government they admire, and, by eloquent appeals either to reaſon or prejudice, to inflame our paſſions, and excite our enthuſiaſm, for the favourite ſyſtem they mean to inculcate. But, if, in the progreſs of moral knowledge, it has appeared important to more recent and more enlightened moraliſts to aſcertain the means of moral diſtinction; if ſo much ingenuity has been exerted to diſcover whether it was the effort of reaſon, or the effect of a moral ſenſe; it ſeems of no leſs importance in Politics, or the ſcience of Government, to aſcertain the principle which diſpoſes one animal

to regulate its actions by the will of another. Experience teaches us, that all animals are ruled and controuled by the management of the objects of their defire. The defire of life, of avoiding pain, of food, and of fleep, conftitute the narrow circle of defires which we can difcern in brute animals; and it is by the management of all, or fome one of thefe, that man fucceeds in rendering other creatures dependent on his will.

Human nature is, indeed, fufceptible of an infinite variety of defires; but let not the pride of man imagine that he is exempt from that general law of animal œconomy, which makes obedience to the will of another attendant on the management and poffeffion of the objects of his defire. Numerous as are the objects of man's defire, there are not wanting plain and obvious diftinctions that fuggeft the divifion of them into two claffes. Such as are alone capable of being enjoyed by the individual, in whofe conception they appear defirable; as for example, life is defirable to A.; but the life of A. cannot be enjoyed by B.: and fecondly, fuch as being the object of A.'s defire, may be enjoyed equally by B. or any human being; and this laft is the defcription and the real definition of property.

Man exifts in a ftate of abfolute flavery, when both of thofe claffes of the objects of his defire are under the controul and management of his fellow-creature: but long before he is reduced to this ftate, his freedom of action vanifhes before an approaching monopoly

of

of either. The power with which conſtituted authority or government by law is armed, is that of diſpoſing, in certain definite caſes, of the objects of deſire of the firſt claſs; or of ſeizing either the whole or a part of the object of deſire of the ſecond, in the poſſeſſion of individuals. And it is the prudence, the wiſdom, and the precaution with which theſe powers are delegated, that conſtitutes the excellence of a Syſtem of Government.

Of the ſecond claſs of the objects of man's deſire, it has been obſerved, that they are capable of being enjoyed by all, as well as the perſon who poſſeſſes them. Thence A. may poſſeſs power over B.; not only by the controul of thoſe objects of this claſs which B. poſſeſſes, but alſo by communicating to B. a ſhare of the ſtock of thoſe objects which he A. has acquired.—" En effet (ſays an eminent " author) un homme n'avoit point avant les loix d'autre moyen " d'aſſujetter ſes égaux qu'en attaquant leur bien, ou leur faiſant " quelque part de ſien." It is this latter means that in all good Governments ought to be left without reſtraint, and which, uncontrouled, is ever productive of good effects.

But if property is forcibly accumulated by legiſlative arrangements, it becomes as fertile a means of ſubjection, and as certain a ſource of deſpotic ſway, as any other. Of great and extenſive property, hiſtory furniſhes many inſtances, and records its effects: but this country exhibits a ſcene new to the eye of man; never did there exiſt

exiſt a ſimilar proportion of the Capital of any Nation united in ſuch a manner, that the whole power attending the management of it may be uſed to enforce the will of an individual. This is the real malady, the true political diſtemper, under which the Britiſh Nation labours. A ſubſervient Magiſtracy, a torpid and ſupine People, and a Parliament whoſe votes and opinions are at variance, are but the natural ſymptoms of the diſorder. How groundleſs then the alarm at the ſuppoſed progreſs of French principles! How wicked the proſecution of thoſe who wiſhed to reform our Repreſentation! There exiſts but one formidable deſcription of traitors to the Conſtitution of this country; it is thoſe whoſe meaſures have created a neceſſity for a Revenue of £. 25,000,000 annually, and who, by this means, have acquired a domineering power, that enables them at pleaſure to dictate or infringe the laws of their country; a power which has eſſentially weakened, if it has not totally overthrown, the balance of our conſtitution in practice.

Such are the effects of a War, undertaken as was pretended by Miniſters for the preſervation of our Property and our Conſtitution, but which, in reality, has invaded the one and endangered the other to a degree that gives ſolid grounds for alarm; for there is no unprejudiced man endowed with the uſe of reaſon who muſt not now perceive that its continuance inevitably involves the deſtruction of both.

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