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DEBATES.

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was bound to provide for these expences. If the civil list was too small, it ought to be made larger. These points should be made clear, but it was wrong to tax the Public in this irregular manner.

Mr. Chancellor PITT admitted the distinctions made by Mr. Fox to be just, generally speaking. The vote proposed in this resolution was very trivial. Sir Gilbert Elliot had been employed on very important services, in consequence of certain circumstances arising out of the war in France. He was employed also on important services in Italy, previous to his appointment of Viceroy of Corsica; and the question here was, Whether in the interval between these employments the rule should be kept up with such strictness and nicety as the right honourable gentleman insisted? For his part he saw no practical utility in observing that nice distinction in this instance.

The resolutions in the Report were then all read and agreed to.

General SMITH moved; that the memorials, &c. relative to the officers in India, be printed.—Ordered.

The House then proceeded to take into farther consideration the Report of the bill for supplying the navy with landmen out of the different counties; but the Chancellor of the Exchequer observing it might delay the other important business of the day, it was postponed.

The order of the day being read for the House to resolve itself into a Committee of the whole House to consider farther of the ways and means for raising the supply granted to His Majesty,

Mr. HOBART took the chair. A great variety of accounts which had been previously moved for and produced, were referred to the said Committee.

Mr. Chancellor PITT rose, and observed, that it was his duty, that day, to lay before the Committee, a subject which necessarily branched out into many extensive details; in order to render it as distinct and intelligible as possible he should wish to call the attention of the House to the different principal heads, under which it might be considered, endeavouring to confine himself strictly to the subject of that day, as that was sufficiently large, without at all entering into any collateral matters that might be more or less connected with it.

The first head, to which of course it would be his duty to call their attention was, the amount and particulars of the various sums they had voted, or estimated, for the immediate service of the year, to which, according to the practice which he had hitherto observed, he proposed to add such articles of unfunded debt, or expences unprovided for, and such farther charges (though they could

not now be distinctly voted on estimate) as were likely to arise from the situation of affairs, and to be incurred in the course of the year.

The next consideration would be, the ways and means by which these sums and estimates might be defrayed, of which necessarily the loan would occupy a considerable part, in stating its terms and conditions.

He said he should then consider what were the taxes by which he proposed to defray the increase of annual charges which must be supposed to arise from that loan, or from any unfunded debt, or extraordinary expence that was now unforeseen.

When he had done that, he thought the Committee must be acquainted with the outlines of all the circumstances that related to the subject; with the addition of some observations respecting the state of the country, its credit, its revenue, its commerce, and resources; by which they might be able to judge of the ability of the nation to bear the extent of those large burdens which had been rendered unavoidable by the continuance of a just and necessary war.

The right honourable gentleman said, he should begin with stating, as shortly and distinctly as he could, the amount of the supply, and under that head he should have little more to do than distinctly recapitulate the votes of the House, which had undergone a distinct discussion.

The first service was, that which related to the navy. It was hardly necessary to state that 100,000 seamen had been voted for the navy for the present year, the charge of which, according to the usual rate, was 5,200,000l. at 4l. per month per man, though that was not fully sufficient.

The next charge was the Ordinary of the Navy, which amounted to 589,683l. 3s. 9d. and the Extraordinaries to 525,840l.

	£.	s.	d.
100,000 Seamen	5,200,000	0	0
Ordinaries	589,683	3	9
Extraordinaries	525,840	0	0
<b>Total of the Navy</b>	<b>6,315,523</b>	<b>3</b>	<b>9</b>

The next service was that of the army. It was not necessary to enter very minutely into the different articles of the army. The principal charges of the regular army amounted to 3,541,000l. There was voted for the militia and fencibles, &c. 1,607,000l. The amount for foreign troops was 997,000l. which was nearly the same as last year. To that must be added a sum not yet voted, by the Committee, which was 200,000l. by way of subsidy to the

King of Sardinia. In addition to that there was 427,000l. for a French corps. These were the extraordinaries of the army, &c. 3,063,000l. The whole of the army expences, adding all these items together, amounted to 11,241,000l.

The next principal head was Ordnance, the total amount of which was 2,321,000l. In addition to that sum there were two sums which had not yet been voted. The first of these was an old debt that was due to the Landgrave of Hesse, amounting to 68,000l. The other was a sum due to the representatives of Mr. Oswald, of 41,000l.

The next head was that of Miscellaneous Services; for the Board of Agriculture, Trial of Mr. Hastings, French Refugees, Adresses, &c. &c. amounting in the whole to 257,000l. In addition to these there was another sum to be added, which he had always stated distinctly, and which he had continued even under the pressure of war; he meant the sum of 200,000l. which he began some years ago to apply towards the discharge of the national debt, over and above the original million, and over and above the provision that had been made by a late act of Parliament, which provided that not only the interest of every new loan should be punctually paid, but also 1 per cent. of the capital. There was another sum which had always been taken into the account, under the title of Deficiency of Grants, and that sum amounted to 745,000l. Besides that, it had always been usual to state as a part of the estimates of the year, the deficiency of Land and Malt, which he stated at 350,000l. In addition to that, there was a sum of Exchequer bills to be defrayed. Under the Supply of last year, there were 5,500,000l. and on the side of the Ways and Means, 3,500,000l. allowing 2 millions for unforeseen contingencies, 2,500,000l. were reserved as a vote of credit: and there were 6,000,000l. in Exchequer bills now to be provided for. The whole of these sums added together, amounted to 27,540,000l. and constituted the whole of the Supply of the year. That sum included the 6 millions of Exchequer bills. Without them the total of the Supply for the service of the year, was 21,500,000l. Till the 5th of April next, it could not be known how far the Ways and Means of last year would be sufficient. The revenue of last year would amount very nearly to the sum at which it was estimated, though there was a deficiency in one article, to wit, in the 500,000l. which was expected from the East-India Company. Though they had not been able to pay that sum, the deficiency of Ways and Means of last year, up to the 5th of April next, calculating according to the proportion of the former part of the year,

was only 588,000l. so that the failure of the Company, constituted nearly the whole of the failure of the Ways and Means of last year; but he thought it right to add that deficiency to the supply of the year, which will make 28,128,000l. The different items of the Supply would then stand thus:

NAVY.			
100,000 seamen	—	£. 5,200,000	0 0
Ordinary	£. 589683 3 9	} 1,115,523 3 9	£. s. d.
Extraordinaries	525840 0 0		
			6,315,523 3 9
ARMY.			
Guards and Garrisons, 119,000 men	—	2,777,534 19 1	
Plantations, Chelsea, &c.	—	2,563,734 19 3	
			5,341,269 18 4
Militia and Fencibles, cloathing for ditto, contingencies for ditto	—	1,607,233 12 0	
Foreign troops	—	997,226 0 0	
French corps	—	427,269 0 0	
Roads and bridges in Scotland	—	4,500 0 0	
Extraordinaries of the army	—	2,663,968 12 4	
Sardinian subsidy	—	200,000 0 0	
Ordnance	—	2,321,010 13 10	
Balance due to the Landgrave of Hesse	—	68,850 12 0 1/2	
Ditto to Oswald's executors	—	41,688 14 6 1/2	
Miscellaneous services	—	257,743 16 5	
Annual addition to sinking fund	—	200,000 0 0	
Deficiency of grants	—	745,000 0 0	
Ditto land and malt	—	350,000 0 0	
Exchequer bills	—	6,000,000 0 0	
			27,540,584 3 3 1/4

Having stated the whole of the Supply, he next proceeded to the Ways and Means by which that Supply was to be raised. He estimated the two annual taxes of Land and Malt, as usual at 2,750,000l. To that was to be added, whatever might be estimated to be the growing produce of the consolidated fund, from April 5th, 1795, to April 5th, 1796. It would be necessary for him to state the grounds on which he was to calculate the amount of that sum, and that was by adhering to the average of the last four years, rather than to any other mode of computation. He said he should state the produce of each of these four years. The produce of the permanent taxes, ending the 5th of January, 1792, amounted to 13,99,000l. Those ending on January 5th, 1793, amounted to 14,354,000l. Those ending on January 5th, 1794, were 13,953,000l. and the permanent taxes of last year, were

13,827,000l. So that he had the satisfaction of saying, that in the last year, the second year of an extensive war, the revenue was only about 126,000l. less than it was the preceding year, and if they took into the account, the delay of a fleet which had been expected from Portugal, the money to be received by that means would be more than the whole amount of the difference of the last year, and the year preceding. The average of the permanent taxes of the last 4 years, was 14,032,000l. He certainly thought himself justified in submitting to the House on that ground that average as the amount of the permanent taxes of the present year. Assuming that foundation, he had only to set against that sum the charges on the consolidated fund. There was a charge of 11,538,000l. and a farther addition of 259,000l. which constituted part of the interest of different taxes, for paying off Exchequer bills. These two sums added together, amounted to 11,797,000l. which being subtracted from 14,032,000l. the average permanent taxes of the last four years, left the sum of 2,235,000l. as likely to arise from the growing produce of the permanent taxes, between April 5, 1795, and April 5, 1796. He said, he might make another addition to that sum of 119,000l. but that sum he wished to reserve, as there would be a necessity for making some provision, in consequence of the happy event which had been announced by His Majesty from the throne, of the approaching marriage of his Royal Highness the Prince of Wales; and therefore he thought it his duty to make a reserve of that sum for that event, or for whatever purpose Parliament might think proper to apply it. There was also the probability of 150,000l. or 160,000l. of Impres Money, and he thought proper to take credit for 500,000l. from the East-India Company, if they could pay it; unless it was voted, the Public could not avail itself of that sum, even if the Company should fortunately be able to discharge it.

The Exchequer bills to be taken into the account in the Ways and Means, were 3,500,000l.

The next article, which had been the subject of some conversation with the Public, and the amount of which was generally known, was the loan for eighteen millions sterling. These sums added together, amounted in all, to 27,145,000l. as would appear from the following statement:

Land Tax	—	£. 2,000,000	0	0
Malt	—	750,000	0	0
Growing Produce of Consolidated Fund from 5th of April, 1795, to 5th of April, 1796	—	£. 2,235,000		
Imprest monies to be repaid	—	160,000		
East-India Company	—	500,000		
Exchequer bills	—	2,895,000	0	0
Loan	—	3,500,000	0	0
		18,000,000	0	0
		£. 27,145,000	0	0

That sum being set against the total amount of the supply, supposing the East-India Company was not able to pay the deficiency, amounted to 983,000l. But supposing the Company to make good the 500,000l. then the deficiency would only be 483,000l. Although the loan of 18 millions might fall somewhat short of answering all the exigencies of the year, the consequences would not be very material, with regard to the service of the year. But he should not think it right to keep any part of the subject from the House; and therefore, although it was not included actually in the loan, he should think it his duty to make provision for its annual interest and charges, as if it made part of the loan. He should therefore find taxes for the deficiency, not only of 483,000l. but also of the 500,000l. which was due from the Company. He should make provision for the one million deficiency, in the same manner as if it were a part of the loan of 18 millions. With regard to the 500,000l. of the Company, although they had not been able to pay it in the present year, he did not think it right to take it for granted that sum would not be forth-coming in a future year.— He was therefore to make provision in the first instance for the sum of 18 millions, and for a million of probable deficiency beyond the 18 millions. The Committee would recollect he had alluded to the increase of the unfunded debt of the navy; and he stated at the outset of the war, that it was his intention each year, without leaving an unfunded debt, to make provision for the whole of that debt. He thought it was probable there would be an increase of one million in the navy debt; and therefore he had made provision for that loan; but the fact was, that from the immense exertions that had been made to bring forward a great fleet, the navy debt, instead of increasing one million, was increased 2,564,000l. He should think it his duty to follow the same line of conduct which he did last year in making provision, on a general calculation, for any probable excess; and as there was an increase of three millions

*Navy debt*

and a half of navy debt incurred last year, he should make provision for that amount, which might be expected to take place in 1795. In addition to the two millions and a half of the vote of credit, it would be necessary over and above to make provision for a million and an half for the land service in the course of the year 1795. These were the sums, for all of which he proposed to find funds for discharging the annual interest.

He said, before he stated the amount of the annual interest which arose from the loan of 18 millions, he begged leave to state to the House what were the terms and conditions on which he proposed to agree to that loan. The motives which led him to think it his duty at an early period to ascertain on what terms persons were willing to subscribe for large a sum as 18 millions, were those, which he had already on a former occasion, been under the necessity of stating more at large. He conceived it his duty to propose the means of furnishing, by the credit of this country, a large pecuniary assistance to the Emperor, if the consequence of such an engagement was likely to furnish a great military force to join us in the next campaign. It became necessary to ascertain how far the terms of that loan might be effected by His Majesty recommending to Parliament, to guarantee the loan which individuals might furnish to the Emperor. It might naturally occur, that the idea of a large loan of four or six millions, or some intermediate sum, might materially interfere with our procuring money, by a loan, for our own immediate purposes; and he was not without apprehensions, that such would be the case. As soon as a proposal had been made, to furnish a sum to his Imperial Majesty, on those terms which the Court of Vienna was willing to give, persons readily stood forward, not only to furnish, without difficulty, the whole of the sum wanted for this country, but, on consideration of the guarantee of Great Britain, the sum also which was wanted by the Emperor. A general statement of this loan will appear highly satisfactory. He should state the terms of it very shortly. For every 100l. sterling, the subscribers had a capital of 100l. stock in the three per cents. a capital of one third of an hundred in the four per cents. and of the long annuities 8s. 6d. for the same term as the long annuities. It was subject, however, to this alternative: If the loan should take place to the Emperor, to the amount of six millions, which would be one-third of the loan which was wanted for the immediate purposes of this country, then the subscribers for every 100l. of that loan should be entitled to one-third of 100l. in the Emperor's loan, and to a proportionable bonus of that loan. Or if no loan should take place to the Emperor, and Parliament should think fit

to grant terms equivalent to that proportionable bonus, it should be added to the long annuities. In that case, they were to have an addition of four shillings in the annuities, which, at the current price, of between 19 and 20 years purchase, was a difference somewhat less than 4l. per cent. He should suppose the Emperor's loan took place to the amount of six millions, and that question would not be precluded from coming before Parliament, by the vote of that night; he should consider, on the supposition of that loan taking place, what would be the amount of the interest which the Public would give for every 100l. of the 18 millions. It would amount to the sum of 4l. 15s. 2d. When he recollected the loan of 11 millions, in the course of last year, the terms of which were admitted universally to have been as favourable as could be desired, and more favourable than could have been expected, (and yet the interest of every 100l. of that loan was 4l. 11s. 6d.); and when he considered that this year we had borrowed so large a sum as 18 millions, that we were entering on the third year of a war, under the different circumstances that had taken place in various parts of Europe, he must certainly feel, that on the first view, it was matter of satisfaction and consolation, that a sum so large, and on so great an emergency, could be procured on terms so favourable. In the event of no loan taking place for the Emperor, he must then take into the account, the 4s. of long annuities, and that would make the annual interest, per cent. 4l. 19s. 2d. which was still below 5 per cent. Taking it in that way they were able to raise 18 millions under 5 per cent. in the third year of a war. Comparing this statement with the experience and history of this country in other wars, that circumstance alone was no slight symptom of the flourishing state of the resources and credit of this country. Before he quitted that part of the subject he thought it right, not merely to state what were the terms of the loan to the Public, but what the profits were, considering the actual price of the stocks at the time the agreement was made, or making any reasonable allowance for any possible fluctuation for a bargain made at a distant period, and for the increase of capital to be brought to market, or with what the price of the stocks were at this day. It seemed to him these were the different views in which the subject might be considered. According as the price of stocks stood at the time he made his bargain, 100l. in the 3 per cents. being then at 64 3-4ths, and one-third of 100l. in the 4 per cents. being then at 83 3-8ths, and the long annuities being put together, independent of any *bonus* from the Austrian loan, was a little more than 100l. But he was not representing that as the terms the subscribers looked to. They certainly looked to 4l.

arising from the Austrian loan. That was rather below the mark. There was another *bonus*, to wit, the discount, which amounted to about 2l. 10s. per cent. and gentlemen would see, that although the situation of the affairs of Europe was not then such as to make us suppose that some of the misfortunes were so near, which from a variety of causes had since taken place, yet there was enough then, to make it impossible for men to speculate on a transaction to so large an amount, without calculating something for the risk of the introduction of so great a capital into the market on three component parts of stock, on the 3 and 4 per cents. and on the value of long annuities, from a *bonus* of 6 or 7 per cent. Having considered the terms and conditions of the loan, it was his duty, in the next place, to make a few observations on the unfunded debt. With respect to that debt which could not now be actually funded, with regard to the extraordinaries to be incurred in the present year, he wished to make the same ample and liberal provisions, as if it were now to be funded. Both for the loan, and all other sums of unfunded debt, he wished to provide.—In consequence of two acts of Parliament, the interest that was payable was not on the sum borrowed, but on the capital created. That applied both to the 3 and 4 per cents. and also to long annuities that should be outstanding after the period of 45 years. The consequence was, that a sum of near 11. 8s. was to be provided for every 100l. not as interest of the loan, but as the support of their credit, which increased the sinking fund in proportion to the increase of every new debt. They were not only not interfering with the general mode of discharging antecedent debt, but at the same time that they were contracting fresh debt for carrying on the war, they actually made provision for paying off the interest of it, and also of one per cent. of the capital. The whole interest of the loan, the excess of navy debt, &c. to be provided for by new taxes, amounted to 1,627,000l. When he stated so large a sum, he had the fullest confidence in the spirit of the country. He did not state it under any apprehension of shaking their determinations to carry on the war, knowing as they must know, how much was at stake; but which he must state with a degree of anxiety far beyond what he could feel at that moment, if he did not flatter himself that some considerations he had already pointed at, as well as some that would be afterwards stated, did not afford great matter of consolation and satisfaction. In the first place, before he quitted this part of the subject, he would state, that 357,000l. a year of that large sum was to be paid for the purpose not of interest, but for faithfully discharging their engagement to increase the sinking fund in proportion to their debt. Every man must wish to know

in what manner that sum of 1,637,000*l.* was meant to be defrayed. He said he did not enter upon this subject without hope, but he entered on it with a sincere belief, that the burdens, large as they were, would be sustained without any very severe pressure on the bulk of the people, and would appear light and trifling when set against the interests they were then contending for. His principal object in these taxes would be to make them as productive as possible, without at the same time drying up the source. He should state some sources of revenue of considerable amount, and which were of such a sort, that an increase of taxes on them would not be felt as a material inconvenience either to the Public at large, and much to the lowest class of the community. The articles he meant to state were of luxurious and not necessary consumption. One of these principally was of very general use among the lower classes, though the consumption of it was the least necessary to subsistence, and, perhaps, in some respects the least advantageous to health.

The first article was that of Wine, which every gentleman would recollect, was very considerably lowered some years ago, in order, by that sacrifice of revenue, to purchase the benefit of a commercial treaty with France. Under the present circumstances, that benefit was suspended; the commercial treaty was at an end: we were no longer under that obligation, and the motive that led to a reduction of the tax, no longer existed. Previous to that period, great frauds took place in that branch of duty; but it was not so much with a view to put an end to those frauds, as to accomplish the other object he had stated, that the wine duty had been reduced. He believed that no gentleman would imagine, that a different price which was not very enormous, would make any material difference in the consumption.

With respect to frauds, they could only be of two sorts, fraudulent importation, or adulteration in this country. As to the first species of fraud, wine was the least susceptible of smuggling, and particularly during the existence of a war like the present. With respect to adulteration at home, he conceived that a great increase of duty would not have a very material effect on it. Every body would go along with him in thinking, that Port-wine could bear a heavier duty. At present, it was 1*l.* a tun. He wished to tax it in such a manner, that the duty might be calculated equally, when it was retailed. He stated, on the authority of the trade itself, that 3*l.* 7*s.* for every tun, would make an addition of one penny per bottle, or a shilling per dozen, and that six times that sum would be somewhat more than 2*l.* per tun. It would be an additional

6*d.* on every bottle, and 6*s.* on every dozen. It was computed that they imported between 27 and 28,000 tuns, and sometimes 29,000. calculating at 2*l.* per tun, which was the rule he proposed, 29,000 tuns would produce the sum of 580,000*l.* but he meant only to calculate it at 500,000*l.*

The next articles which he should state were truly singular. He meant the articles of foreign and home-made spirits. It so happened that an increase of duty on these articles, during the last war, actually produced a diminution of revenue arising from them, and that no doubt ought to dictate caution on the subject. But after the capital of smugglers was broken down by the reduction of duties; the duties on these articles had been increased three times successively, and the duty had not only not been diminished, but it had increased according to the rises in a much higher proportion than when it was at the lowest. He meant, therefore, without running any risk, to add the same additional duties as last year; that is to say, an additional 8*d.* on every gallon of rum, 10*d.* on every gallon of brandy, and one penny on British spirits. These duties on the estimate of last year would produce 259,000*l.*

The next article he had to submit to the Committee had formerly been the subject of a great deal of discussion, and had more influence on the commercial interests of the country, and particularly on one great body, the East-India Company, than any other article. A very great reduction had been made, which, according to some gentlemen, was a very hazardous experiment, for the purpose of preventing frauds. It was commuted for a very heavy additional tax on windows, which was called the Commutation tax. It would be proper that a moderate addition to that article might be adviseable, and consistent not only with policy, but with the very principle that led some years ago to the reduction of the duty. He wished to anticipate an objection that might be made to any additional tax on that article, and that was, that the Public were reconciled to submit to a heavy duty on windows, in consideration that the tax on tea was to be lessened. Every one would find, that the advantage they had derived since these taxes had taken place, was out of all proportion greater than the Commutation Tax. But however that was, that House had entered into no compact with the Public. The present duty on tea was 12*l.* 10*s.* per cent. He meant to add 7*l.* 10*s.* per cent. which would make the duty 20*l.* per cent. which he calculated would produce 180,000*l.* and an additional duty on coffee and cocoa was computed at 40,000*l.* These two together made a sum of 220,000*l.*

He said, the next article was wholly of a different nature. He

might say negatively, that it was not likely to be felt any where as a material inconvenience; and as a collateral circumstance of satisfaction, in stating this, it did itself afford a striking proof of the commerce, credit, and capital of the country.—What he alluded to, he said, was the insurance on ships and cargoes, both the property of this country, and in some degree the property of strangers. Insurance was carried on with so much advantage in this country, from the good faith that was observed by our underwriters, that he had the best authority for saying, that many respectable merchants thought a slight additional tax was not at all likely to hazard a diminution in the insurance. Gentlemen would naturally say, he could not be possessed of any *data* from which the amount could, with any degree of certainty, be ascertained. But he was under obligations to many gentlemen, whose guesses on that subject were infinitely better than his. It would be matter of satisfaction and surprise, for the House to be informed that, by the calculations of persons conversant with this subject, the capital annually insured in this country, amounted to 120 millions sterling. The tax that was meant to be imposed on insurance was only 2s. 6d. on every 100l. capital; that was one-eighth per cent. This he computed at 130,000l.

Another species of insurance, which was of a different description, and which was by no means a species of insurance to be discouraged; but which, at the same time, ought to contribute to the public burdens, he meant insurance on lives. It was certainly proper to call on any class of people to contribute to the general exigencies of the State, arising from a war like the present, who derived a convenience flowing from the credit, order, tranquillity and regular government established in the country. Such was peculiarly the situation of every person so circumstanced; and after the tax he was about to propose, it would still be lower than it was a few years ago. He proposed 10 per cent. in proportion to the premium. He had received a particular account from the produce of one society, and which was increasing every month; and from the best information he could procure from those persons most conversant in the business, it was likely to yield 30,000l. per annum. That added to the other sum made 160,000l.

The next, he said, were a description of articles to which little objection could be found, where the increase was not likely to be felt with any peculiar pressure. They arose from different articles of the customs. He calculated them at 77,000l. per annum.—The duty on raisins was computed at 7000l.; on lemons and oranges at 5,200l.; on some species of silk at 8000l.

The amount of the tax on coals exported was computed at 25,000l. This tax was meant only to fall on foreigners, as all coals exported to any of our own dominions were to be free from this duty. The duty on rock salt, he estimated at 7,400l. The whole of the articles together were computed, as we have just said, at 77,000l.

There was another article which came under the customs, which would bear a moderate tax; that was fir timber and deals. That tax was computed at 110,000l., which being added to the 77,000l., made 187,000l.

The next were certain articles of stamp duties on affidavits, original writs, agreements, indentures, and probates of wills, which could be raised with little inconvenience. The duty on these articles was computed at 10,000l.

He proposed a small additional tax on receipts. At present, a receipt for above 100l. only paid 6d.; he proposed it should be 1s. He proposed no other tax, till it amounted to 500l. and upwards, and that then, instead of being 1s. as it was now, that the stamp should be 2s. These articles, arising from the stamp duties, were supposed to amount to 68,000l.

He said there remained two other articles, one of which applied to the Members of that House. He wished to introduce some regulations on the present system of franking. It was necessary for him to observe, that the House, for a great period of years, had thought it right to restrain that privilege by certain regulations. It had been generally found, that after a certain length of time, those regulations had not completely answered the purposes for which they were intended. Gentlemen, from good nature, had been led in various instances to go farther than was intended. In the next place, it was certainly by no means intended that the privilege of franking should be the source of emolument to particular individuals; it was meant as a respect to the Members of that House, and in that view it had a great recommendation; or as for defraying charges which, in some instances, might be very serious, from communications between Members and their constituents. It was not meant to furnish a revenue to any particular persons; and he had heard those who were most capable of benefiting by it, speak of it in such a manner as did great honour to their liberality. As it might be applied to purposes never intended, he meant to propose certain regulations, the general object of which was to restrain the number of franks, sent or received by any one post; and also to restrain them in regard to their weight. The regulations which he proposed, would appear more clearly from the resolutions which he

should afterwards have the honour of moving on the subject. The persons most conversant in this business, had encouraged him to suppose that these regulations, if carried into effect, would produce 40,000l.

There remained another thing, which he had to submit to the Committee, which, if the burden his duty obliged him to lay upon the Public were not too serious, he should apprehend the House would hardly hear with gravity, and which also applied to every Member of that House. But it would not answer his purpose, if it did not apply to a very general description of persons in this country. He was not at all afraid that it would be considered as productive of the least pressure. He meant a general licence, at one guinea a head, for every person who wears hair-powder, the names to be registered and published, that no person who chose to indulge in the luxury might hope to evade the tax. The only persons upon whom this could fall heavy, were those who, with small incomes, were placed in such situations as obliged them, to a certain degree, to comply with the fashion of the day. There were other persons who, although perhaps they could ill afford it, would be prompted by vanity to wear what other people wore; but vanity was as least as fair an object of taxation as luxury. No small number, such as servants, used hair-powder, not to gratify their own vanity, but the vanity of others, who must necessarily pay the tax. It might be asked, how the amount of it was to be calculated?— He said there were certain means, by which they might form some guess how far that tax would be productive. When they considered the number of persons who had four-wheel carriages; when they looked at the number of horses which were kept for pleasure; and at the number of servants kept by different people, he thought it would not be unreasonable to suppose that this tax might produce 200,000 guineas, or 210,000l.

Mr. Pitt here recapitulated the new taxes as follows:

TOTAL of NEW TAXES.		
WINE		£.500,000
Foreign and Home-made SPIRITS		259,000
TEA		180,000
COFFEE and COCOA		40,000
INSURANCES		160,000
RAISINS, LEMONS, &c.		77,000
DEALS and FIR TIMBER		110,000
AFFIDAVITS, WRITS, &c.		68,000
FRANKING		40,000
POWDERED HEADS, Male and Female, at a Guinea a Head		210,000
		<hr/>
		1,644,000

He said, he ought to beg pardon of the Committee for having taken up so large a portion of their time as he had occupied. He should now conclude with calling the attention of the House to what he had alluded to at the beginning of his speech, the apparent view of the situation, credit, and resources of the country. Considering the necessity there was of imposing burdens on the people, it was matter of satisfaction, that they could with so much facility make the provision that was sufficient for carrying on the present just and necessary war. In the first place, the very articles which he had proposed for taxation, shewed the sufficiency of the resources of the country to meet the burdens which were necessary. In the second place, the circumstance of being able to raise so large a sum by loan, was a strong proof of the high state of the national credit. From what he had stated of the average of the revenue for several years, it appeared that we were now, in the third year of a war, in a situation of prosperity in which we had never been placed in any former war. If we looked to the different taxes imposed in 1791, 1793, and 1794, they had been productive beyond the example of any former period of hostility. Not only had we been able to provide for the exigencies imposed by our situation, but from the progress which had been made in raising a fund, in consequence of the steady adherence to a system that had now been adopted for nine years, with a view to discharge our national debt, a sum of not less than 1,800,000l. was now applicable to the purchase of stock for that purpose, and that he considered as one of the principal circumstances which supported the credit of the nation, and animated the hopes of the commercial men in this country. They were anticipating their burdens, and providing for them; and if they were under a temporary necessity of contracting debt in a struggle for their existence, they had not only not broke in upon the plan for reducing former debts, but they were paying off those which they had just contracted; and therefore they found the credit of the country undiminished by the unprecedented demands which the unprecedented attacks of our enemies had rendered indispensably necessary. He was not surpris'd that the balance of exchange was so greatly in favour of the country, that the state of credit was so flourishing, and the degree of confidence almost unlimited. In addition to what he had stated of the prosperous circumstances of the revenue, and the desirable situation of public credit, much reliance was to be placed on the spirit of the people, determined to prosecute with vigour the present contest, and submit with alacrity to the necessary burdens. But the security for the continuance of the national prosperity did not merely rest on the temporary state of the revenue, or of credit;



it stood on a more solid and permanent ground—on the unexampled and increasing extent of the commerce of the country. From the result of the different accounts, it appeared that the total amount of the trade during the last year of war, not only exceeded what had been the average of former years of war, but even what had been the case in the brightest periods of tranquillity. The exports of domestic manufactures during the last year, was only exceeded by the exports of two former years of the greatest prosperity which this country had ever known, and our foreign trade, in point of extent, surpassed even the results of the most flourishing years of peace. In 1792, the highest year ever known in peace, the total exports were 18,336,000*l.* in British manufactures. The total export of 1794, by the most correct accounts, is 16,301,000*l.*, being in that respect less by about two millions. In 1792, the imports were 6,563,000*l.* In 1794 they were 8,868,000*l.* The total in 1792, was 24,905,000*l.*; in 1794, it was 25,169,000*l.*

Such were the conclusions which he found himself authorized to draw from the most accurate accounts of the state of the country; the facts which they presented, were so much more satisfactory than any observations or reasonings which he could suggest, that he should no longer obtrude upon the attention of the House. He should only add, that while he dwelt with pleasure on the steady and growing resources of the country, he did not feel the less regret that we were compelled to apply them in order to meet the inevitable evils to which we were subjected in the prosecution of the present just and necessary war; nor did he feel the less desire for the restoration of the blessings of peace, on that secure and permanent footing which might lead to the accumulation of wealth, and the confirmation of the national prosperity. It could not fail to be remarked, that the resources by which we were enabled to meet our present exigencies, were derived from having made a prudent use of the blessings of peace. The exertions of war and the blessings of peace both proceeded from the same source, vigour of determination, and the spirit of enterprise, accompanied with steadiness and prudence in the prosecution of our object. He concluded with moving his first resolution.

Mr. FOX said, he did not rise to oppose the vote which was now proposed, but to make some observations on what he had heard from the Minister. He expected that the right honourable gentleman had before him the experience of two loans, opposite to each in a certain degree; the one of them made upon the best terms that could be obtained on behalf of the Public, which was the loan of last year, and the other, perhaps the worst for the Public that any Minister

ever concluded, and which was in the year before the last; he could have hoped, he said, that with that experience he would have encouraged competition among the subscribers. This was a mode upon which many Members of that House had bestowed their approbation; he had praised it himself, as he always should every measure when it appeared to deserve it; and the right honourable gentleman himself had taken great credit for having opened that system of competition, and therefore he owned that he expected to have heard to-night some reason for departing from that system, and some reasons for adopting a plan liable to so many objections. It had been stated, that fortunately for the Public, the loan had been made a considerable time since, so that a much better bargain had been made for the country than could have been expected. He might be disposed to grant that this was the case; yet it was necessary also to look to what had been advanced, as to the advantage of the bargain to those who had subscribed to the loan. It had been said, that they had a profit of two and a half per cent. on the quantity of the fund assigned to them for each hundred advanced, and that the fall of the stocks had brought it to two per cent. It would, however, be necessary to consider the circumstances of the funds at the present time. He had looked into the newspapers of the day, and depended on them for the accuracy of his statement. From them it appeared, that 3 per cents. were to-day at 61½; the 4 per cents. at 79, and the long annuities at 18½. On this estimate the value of one-third of the 4 per cents. would be 26*l.* 10*s.* and the long annuities would amount to 71. 13*s.* making in the whole 95*l.* 13*s.* to which, adding the discount of 2½, as it had been stated, the result would be 98*l.* 3*s.* Exclusive therefore of the additional 4*s.* which they were to receive on the long annuities, in case the Emperor's loan were not guaranteed, they had not a profit of 2 per cent. and taking that into the calculation, the profit at present would only be 31. 13*s.* So that whereas in common 2½, or more, was the profit which had been usual for subscribers to a loan, in the present instance the amount was only 11. 16*s.*; and even on the most favourable calculation 21.—He hoped that no one would be inclined to treat this subject with so much levity, as to say that this was so much the better; that they would look at the principle of the thing, and consider that it was possible that the change of the funds might have been as disadvantageous to the Public, as it now was to the subscribers; and therefore, that they would not sanction the principle of making a bargain for the loan, so much before the proper time. It had been stated to the Committee, that there was another *bonus*, viz. the advantages to be derived from a share in the

Austrian loan. Mr. Fox then proceeded to state, by reference to the Minister's own mode of calculating, that this loan was an extravagant bargain, and this he thought held out to the people of this country a very bad prospect. It was a dangerous loan in two ways: First, it was dangerous because there was to be no provision made now for the payment of it, in the event that the Emperor should fail to fulfil his engagement, and in this way the people were not made properly to understand and feel their real situation, by acquainting them with that to which they might be exposed. Secondly, it was dangerous, because, in proportion as the terms were disadvantageous, the probability was less of the Emperor being either able or willing to fulfil his engagement; and if he should not, then we having guaranteed the payment, must pay it for him. In the first place, supposing the terms of this loan to be so advantageous to us, and consequently so disadvantageous to the Emperor as any one could state it, that was not very honourable to us as a nation, lending its credit to guarantee the payment. In the next place we should remember, that those who are the readiest to comply with exorbitant demands, are the least likely to be punctual in fulfilling their engagements. He did not like to treat a subject so serious as this with levity, but he could not help remembering a scene in a very good play, where Mrs. Amlet says of her customers, "As to persons of quality, they never say any thing about the price of what they want, the only difficulty with them is about paying for it." This, he feared, was too much the complexion of the case here, for the loan on the part of the Emperor was extravagant in a very high degree; he would maintain that the Emperor was to pay the enormous sum of 36,000*l.* for our guarantee merely. This, although an apparent advantage, was not so in reality, for the loan to this country and the loan to the Emperor were so far from being independent of each other, that they were a good deal connected under all the circumstances which attended them both.—With respect to general views which the Minister had taken to-night, he agreed in some, and differed materially in others of them. The right honourable gentleman was sanguine in his ideas of the revenues of this country. To a certain extent he could follow him in those ideas, but could not travel so far. His reasoning to-night did not appear to be conclusive; he admitted that the revenues of the last year were inferior to the year before the last, but then he said that it was the third year of the war, and the deficiency he ascribed in a great measure to the non-arrival of a valuable fleet. Now he wanted to know upon what principle the Minister calculated, that the revenue, which was less last year than the year preceding, would be

better in the next, and that we should go on in a state of improvement, when the only evidence we had was that we had been lately declining. With regard to the taxes, some of them were such as he had no objection to, but there were others on which some observations ought to be made. In the tax upon tea, he feared the Minister had not reflected enough upon that article when he brought it forward; indeed the way in which he treated that part of the subject of this night's discussion proved it. He had taken two ways of arguing, which could not be both right, because they were inconsistent with each other. In the first place, he treated it as a luxury, and, as such, a fair object of taxation; and then he observed, that if the lower class of people refused it, the probability was that they would find something better for their health. Now with regard to the poor, he feared that tea had of late years made a great part of their consumption, and possibly the tax now proposed might compel many of them to abandon it; but then, how did that accord with the other argument of its being an article of luxury, and therefore a proper object of taxation; because if it was a tax to be at all effectual, it should be such as the consumers would not abandon on account of the tax. With respect to the tax upon wine, he had no objection, except that he did not wish the retailer should have an unfair advantage, which perhaps he might by the mode of adding a duty of 2*ol.* a ton; but, however, as that amounted to 4*d.* a bottle, perhaps the retailer might be content with 6*d.* which, altogether, might not be so objectionable as some other taxes. As to the taxes on spirits, he must observe, that they were of a temporary nature, and although this war was not to last for ever, yet we must remember that we shall want this money long after the war is over.—With regard to the hair-powder tax he had no objection to it, except the uncertainty of its produce; for he who relied on the fashion of the day built upon a slippery foundation, and therefore an attempt to raise upon it a permanent revenue was highly imprudent. He knew there were habits that amounted to a kind of second nature, but was the use of hair powder of this description? It had been suggested, that the whole of it should be abolished, on account of the article being wanted for a much more worthy use; what if the House should finally be of that opinion? there would be an end of that part of the revenue. Two hundred and ten thousand pounds annual revenue, for the support of the Government of the people of Great Britain, might be done away by necessity. This was not all, for it was subject to caprice and whim, and that depended on a few individuals, namely, persons of rank, whose taste in dress led the fashion; so that ten or a dozen individuals might put an end to

the whole 210,000l. revenue of Great Britain in the course of one hour; he granted it was not likely they would do so, but they might do so; he thought it therefore, a very unsubstantial article of revenue. How far it might operate as a regulation with respect to the consumption of flour, was another question; the more it spared of that article in that way, the less it must produce to the revenue, and the question was not now how it would regulate, but how it would produce, and upon that he owned he exceedingly doubted for one its efficacy. Upon a former day there was a conversation upon the question of the expence of this war.—The Minister said he had great satisfaction in reflecting that we proceeded in the diminution of our old debt. He had as much satisfaction on that point as it was possible for the right honourable gentleman to have, but he was not so bigoted to that plan as to be blind to what was now doing, and not to perceive the magnitude of the new debt, which we were every hour increasing. The expence of this war had been stated to amount already to fifty millions of money. He did not know it; its exact amount he had no means of knowing, but he believed it to be much more. We had added to the funded debt a capital of forty-six millions. He meant by the loans of the years 1793, 1794, and the loan of this day; to that might be added a mighty load of unfunded debt, which must be a subject of inquiry in that House at some future time. He understood there was an idea of funding the floating debt of the navy at five per cent.; or that for every 100l. there should be allowed 108l. He should say nothing of the merits of the plan now, but he should like to hear something of it to-day, and he should like to know why something of that sort was not to be adopted with respect to the present loan of the Emperor. With regard to some of the general observations of the Minister on the war, he must say he could not agree with him; he had emphatically, as usual, called it a just and necessary war. He, on the contrary, thought it neither just nor necessary; if not necessary, it could not be just—necessary it could not be, for it might have been avoided. The Minister, as he had already said, was sanguine in his ideas concerning the commerce of this country, and he had stated circumstances of consolation in that respect. To a certain extent, Mr. Fox said, he was ready to allow our resources to be great; but he must also say, that the fact of our exportations being less last year by two millions than they had been, was to him not very consolatory. Now the Minister had better sources of information than he had, or pretended to have, but he had heard some things related, which made him fear that we must not look for the same success as to the extent of our exportation in future, as we had

experienced in former years. The situation of the West Indies argued this; and the situation of Holland we all knew and felt to be most materially altered; and as to our internal condition, he owned he did not see it in a very prosperous view. He would inquire of Mr. Hobart himself, who sat in the chair of the Committee this night, whether the city which he represented (Norwich) was not last year in great distress; and whether, great as that distress was last year, it was not then opulent, prosperous, and happy, when compared to the prospect of the year to come? Whether, if this war continued, the wretched remnant of their trade would not be entirely destroyed in a short time? Did this apply alone to that unfortunate city? No; every manufacturer in the kingdom had the same apprehension as the manufacturers of Norwich; they would tell the House, with one voice, they must all be ruined, if this war continued for any considerable length of time; so that indeed no rational man could suppose that argument of our former prosperity can be fairly applicable to our prospect for future years. That our commerce had increased of late years, he admitted, and he rejoiced at it, but then we should look forward, and examine the probability of its continuance. The last year, he had been told, that our commerce was flourishing, because the insurance was low; what could be said now, when the insurance was at the rate of thirty guineas from the Mediterranean; from Portugal twenty; and from the nearer ports of the North ten. He was therefore not so sanguine with respect to the commerce of the country. How far it could go on in the manner it was now proceeding, he could not tell, but he was afraid not to any considerable length of time. He wished they would consider the depredations that had been made on that commerce, and they would find, that so far from having borne the just proportion it should have borne to the depredations in the last war, viz. 14 to 11, it had been more than 14 to 7, or 2 to 1. This was not foreign to the question, though at first it might appear so: because so much stress had been laid on the flourishing state of our commerce in the speech of the right honourable gentleman. The right honourable gentleman had said much upon the blessings of a secure and permanent peace. He agreed with him in wishing for such blessings; but how far we should continue the prosecution of this disastrous, calamitous, and impolitic war, as the only means of procuring such blessings, was a question of great importance, and one to which the most grave attention of the House must soon be called. If we continued this war, it would be a question how much we should have to add to the amount of the enormous burdens to be imposed on the people of this country by the proceedings of this day. It would

then be necessary to consider how far the people would really be able to bear such burdens. He would ask the right honourable gentleman if he could look with confidence to such an event? He knew, as well as the Minister, we had great resources; but it was impossible for us not to see we are getting within sight of the end of our resources. Whether two or three years more continuance of this war would be too much for the people of this country to bear, he could not tell. Possibly, if that was made a question, he might vote with the most sanguine upon that subject; but that we should soon afterwards be in a state of ruin, no man, he thought, could possibly doubt. He therefore thought that when that House was voting so many millions of pounds for the service of the present year, we ought to look at the probability of our being able not only to continue that sum annually, but also to add a much larger sum. He would venture to assert, that large as the sum proposed to-night to be voted was, that which would be wanted for the following year would be much larger, and when we come to consider the system on which this war was to be prosecuted, and that we were to contend for the establishment of a form of Government in France, that man must be sanguine indeed, who expected that House to vote, or the people to be able to pay, the expence which would attend that contest. Care should be taken that the House of Commons should not vote what the people were unable to grant. In this view the business of this day was most serious, and the right honourable gentleman in reflecting on it would do well to consider the danger into which his present system of prosecuting the war must inevitably lead this country, for we might soon, with all our prosperity and happiness, be placed in a situation in which all the prudence in this world would not be sufficient to prevent our entire ruin. We were now in that critical state of affairs which must be provided for as amply as possible, and therefore he could not object to the propositions now before the Committee, but he thought the proceedings of this day ought to lead every man in that House, and every reflecting man in this country, to consider most seriously the calamitous condition in which we are, to devise every means in his power to produce a speedy peace, and do every thing that could fairly be done to prevent the conducting of this war on our present most rash and mad system of Continental alliance. These were the observations which he thought it his duty to make.— The situation of this country was such, that taxes, however severely felt, and severe indeed they were, must be submitted to; but he could not help repeating, that although he did not oppose them, the Emperor's loan was made upon terms which, for the present, appeared to be against the Emperor, but the result, he verily believed,

would be that the burden would at a future time fall with ten fold weight upon us. Having said this, and having already intimated that he should not oppose the propositions of the Minister to-night, he had nothing farther to add upon this subject.

Mr. Chancellor PITT said, that having already troubled the House so much at length, he should now confine himself to the explanation of one or two points. The subject of the Austrian loan was not fairly before the House; it was, however, clearly understood that every subscriber to our loan was conditionally to subscribe to it. The right honourable gentleman had said, that he had not stated from what the bonus of the subscribers was to arise. It was to arise from the Austrian loan, if it took place. He had not considered it as the proper time to discuss the terms of the loan, till these were formally brought before the House by an intimation from His Majesty. He had, however, no objection to mention the terms, for the satisfaction of the right honourable gentleman: For every 100l. advanced, the subscriber was to have five sixths in the 3 per cents. and an annuity of 5l. for 25 years. When interest was at 5 per cent. an annuity for 25 years was valued at 14 years purchase; it might sell for 13 years purchase, and in the present instance was therefore only rated at ten.—The subscribers to the loan to the Emperor, had, upon the whole, the advantage of about 6 per cent. and it would remain for the right honourable gentleman to try, whether upon his own calculations, he could persuade them to advance the sum at 3. The circumstance of borrowing 24 millions made the terms much worse to the country than if we had only borrowed 18. It was fair, therefore, that we should so arrange the terms of the respective loans as might secure to ourselves a compensation for the disadvantage we sustained.

Mr. HUSSEY said, that he could point out to the right honourable

be cleared. In every point of view he thought the loan to the Emperor to be a bankrupt bargain.

Mr. FOX said, we ought to have made the same terms for the Emperor as for ourselves, because the bargain might be eventually ours. He thought that the only fair advantage to be taken was, to put us in the same state as if we had not guaranteed the loan to the Emperor. He wished to know whether the House were at liberty to alter the terms of the loan, and offer others whether at 5 per cent. or any other. What he meant by the three millions to be saved by the Emperor, was not that it could be saved in the first instance, but that ultimately it might.—He supported Mr. Hufsey in what he had advanced, and again pressed on the House the absurdity of giving their votes for the loan to the Emperor, without knowing the terms.

Mr. Chancellor PITT declared, that he did not conceive himself at liberty to propose any other terms to the subscribers to the loan, than the alternative he had already stated to the House. He thought it a curious argument to say, that we ought to have made the same terms for the Emperor as for ourselves, when the consequence would be, that by lowering the terms of the Emperor's loan, we must have raised those of our own; so that a certain increase of burden would have been made with respect to three-fourths of the loan, in order to secure a possible advantage in one-fourth, which might eventually fall on us. He contended, that the calculations of Mr. Fox, as to the saving of three millions, and of Mr. Hufsey, through the whole of his argument, were erroneous, because they had not considered the discount, nor examined into the length of time their plan would take, and the value of an annuity of such a period, which he conceived to be the only fair method of comparison; and though Mr. Hufsey had twice asserted that the present was a bank-

1795.

In this Budget, Taxes were declared to be necessary to the Amount of £1,637,000— and those proposed were offered as likely to produce £1,644,000— this sum became requisite to provide for a Loan of £18,000,000, together with the sums of Navy & Exchequer Bills, which the Minister proposed to provide for as hereafter stated.

1. Loan

Annual charge in respect of £18,000,000	
3% cents .....	£548,100
Annual charge in respect of £6,000,000	
4% cents .....	242,700
Annual charge of 9.6 long annuity on	
the said £18,000,000 .....	86,461,17.6
Annual charge for sinking fund on	
£18,000,000— 3% cents on account of the Loan 180,000.	
Ditto on £6,000,000, 4% cents .....	60,000
Ditto on the Long annuity .....	12,895
	<u>£ 1,190,096,17.6</u>

2. Navy & Ex. Bills.

Navy Debt contracted in the year 1794 above	
what was provided for being £1,000,000	£2,594,000
Provision for a sum of Navy debt to be incurred in 1795 equal to that contracted in 1794.	3,594,000
For the vote of credit .....	2,500,000
Provision for Navy extraordinaries to be contracted 1795.	1,500,000
	<u>£ 10,188,000</u>

1795. Total over

Year 1795.

Wine	500,000.
Wine & spirits	250,000.
Wine & spirits	180,000.
Coffee	40,000.
Tea	100,000.
Wine & spirits	213,000.
Wine, Silk, Tools, Rockfall	
Wine & other articles of customs	187,000.
Stamps on writs, indentures	
Stamps and additional Duty on Receipts	68,000.
Resolution concerning printing	40,000.
	<u>1,044,000.</u>

Supplies for the service of the Year 1795. —

Navy	6,055,523. 3. 9
Army	11,674,358. 17. 8 <sup>3</sup> / <sub>4</sub>
Ordnance	2,581,010. 13. 10
Miscellaneous Services	12,440,603. 8. 10
	<u>32,751,496. 4. 1 <sup>3</sup>/<sub>4</sub></u>

Ways and Means.

By Land Tax	2,000,000.
By Duty on Malt	750,000.
By A Loan	18,000,000.
By a Lottery	758,541. 13. 4
Out of the produce of the con- sol <sup>d</sup> fund	2,895,000.
By Exchange Bills	6,000,000.

30,403,541. 13. 4

Deficiency of Ways & Means. 2,347,955. 0. 0

32,751,496. 4. 1 <sup>3</sup>/<sub>4</sub>

0396

