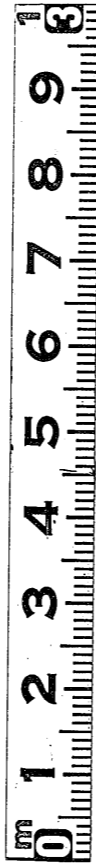


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DEC. 7.]

DEBATES.

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it would be highly improper to order him to attend. He deprecated any farther proceeding at present.

Mr. GREY said, that the ordinary method of the House, in such cases, was to take the proceedings into their own hands; on this account it would be necessary to have evidence before them, in order to ascertain whom it may be proper to prosecute.

Mr. DUNDAS said, that if witnesses were to be examined in a court of law, the House should not enter into a judicial investigation of the subject.

Mr. SHERIDAN said, that the Committee having reported that Mr. Reeves is the author, it was for the House to determine whether there was sufficient evidence of this point, and what future steps were to be taken. He could wish the Committee to be revived; and when a second Report was made; and the whole of the evidence before the House, it would then be competent for any member to propose what mode of future proceeding he might think it proper to take.

Mr. Serjeant ADAIR thought that at present there was not sufficient ground for a prosecution against Mr. Reeves, and that therefore farther inquiry was necessary, previous to any determination about the future proceedings of the House.

The SPEAKER said, that if in the opinion of the House the Committee have not obtained all that information that was requisite, that the House might order the Report of the Committee to be recommitted.

After some farther conversation, it was agreed that the committee should be revived, and that the House would take their farther Report into consideration on Friday next.

The order of the day was then read, for the House to receive the Report of the Committee on the bill for the better preservation of His Majesty's person and Government.

The opposition members withdrew; after which the resolutions were read, with the amendments, and the third reading ordered for Thursday next.

Monday, 7th of December.

Mr. Chancellor PITT acquainted the House, that he had a message from His Majesty to the House, signed by His Majesty; and he presented the same to the House, and it was read by Mr. Speaker, and is as followeth, viz.

GEORGE R,

HIS Majesty thinks proper to acquaint the House of Commons, that
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a considerable sum is likely to arise from the sale of such of the prizes, made on the subjects of the United Provinces, as are by law vested in the Crown; and that it is His Majesty's intention, when the accounts shall be closed, to direct that produce which shall arise therefrom, after making such allowances as may be thought due to the merits of any of the captors, shall be applied to the public service.

G. R.

Mr. Chancellor PITT observed, that a similar proceeding took place with respect to the French prizes, taken the war before the last, and concluded with moving, "That an humble address be presented to His Majesty, thanking him for his tender concern in manifesting to the House his desire of applying the said money to the public service, after defraying the claims of the captors; and that such of the members as were of His Majesty's most honourable Privy Council should present the same."

Sir FRANCIS BARING said, he by no means objected to the principle, but had his doubt with respect to the propriety of dismissing of certain individual claims, under a clause in the Dutch property bill. He did not know whether, in the present case, they could have recourse to a court of justice.

Sir WILLIAM SCOTT, in reply said, that the money was not to be applied to the public service, until certain legal claims were discharged. Besides, the clause to which the honourable Baronet alluded would not prevent their having redress in the court of Admiralty, or the other courts of justice.

The address was then agreed to *nem. con.* and His Majesty's message, referred to the Committee of ways and means.

Mr. Chancellor PITT.—I am perfectly aware that in bring forward this subject for the consideration of the Committee at so early a period, the difficulty of the task is somewhat increased by the impossibility in the present moment of forming exact statements on either side of the account. I have endeavoured, however, as far to ascertain the general amount of the burdens, which must be imposed, and of the provisions by which they may be defrayed, as may enable me to lay before the Committee a tolerably correct statement. Whatever may be the difficulties of the task, I felt the most powerful motives not to delay it for a longer period. At the opening of the session the House expressed a sentiment of the highest satisfaction at the prospect of improvement in the state of affairs, which afforded the hope of accelerating the desirable event of peace, on grounds of permanence and security, and on terms suitable to the relative situation of this country and of the enemy. In this point of view I see, that there is nothing so interesting as to shew, that

we are amply in possession of the means by which those objects can be secured, as to evince agreeably to the declaration we have made, that we are prepared for their alternative, and that we have those resources, which enable us to maintain the contest with vigour, till an opportunity be afforded for concluding a peace on principles consistent with the wisdom, the policy, and the honour of the country. If it be important to bring forward this statement with respect to the impression to be made upon this country, it is still more important when we look to the impression which such a statement must infallibly produce upon the enemy. "When we look to their situation, devising new means from week to week, and from month to month, in order to supply their exhausted resources, and shewing, by the strange and wild expedients to which they have recourse for that purpose, the impossibility of long supporting that monstrous system to which they have hitherto been indebted for all their exertions"—I say, if we look to this situation, it is of consequence that we should shew them that we are capable, in the present moment, of making provisions to carry on the contest, not for a week or for a month only, but for a whole year, if our rights and our interests shall render the continuance of our exertions necessary during that period. We shall thus be taking the best method to secure the great object of our national policy, to meet the exigency of the crisis, and be prepared to terminate the war in the first moment when such dispositions shall have appeared on the part of the enemy, as may enable us to bring it to a termination on honourable and satisfactory grounds. From this view of the question, I conceived that I should better meet the sentiments of the House, and more effectually consult the interests of the country, by bringing forward the statement thus early, than by deferring it to a more advanced period of the session. Having said this much, I shall trouble the Committee with nothing farther introductory, but proceed to consider the subject under those heads, into which it resolves itself, with as much brevity and distinctness as I can.

Mr. Chancellor Pitt then said, that it would be his duty to state under the various heads of service, the article of supply which had been already voted. And first,

The navy; the number of seamen for the present year was 110,000 men, being 10,000 more than the preceding year; and the sum already voted for this head of service was 5,720,000*l.* Gentleman would see with pride and pleasure, that in this department of the national service such exertions had been made as had carried the navy to a height unparalleled in the service. There were still two farther sums to be voted, namely, 624,000*l.* and 708,000*l.* for build-

ing ships and repairs, making the whole of the navy for the year ————— 7,072,000
 being an excess over the sum of the year preceding of 757,000l. This excess, however, he was persuaded, gentlemen would view with complacency, since it had given so decided a superiority to our fleet.

The next head of service was the army, for which there had already been voted the sum of ————— 6,104,000
 which was less than the last year by 844,000l. a consideration which he was sure would be highly agreeable to the Committee, as it would shew that the excess was on that head of service, which was always the favourite service of Englishmen, and that a great reduction had been made under the head of the army.

There were still, however, several other sums to be voted under this head of service, viz.

For the expence of several French corps, which it was thought might be beneficially employed in our West India islands, the sum of ————— 300,000

The Sardinian subsidy ————— 200,000

The extraordinaries of the army, as far as they had been able to be made up, and as the sums had been paid, were ————— 2,646,000
 But this was certainly not all that would come under this head, and it would be impossible for him precisely to state what farther might be required; he would estimate the sum however at ————— 350,000

The next head of service was the ordnance, which was a sum less than the expence of last year by 577,000l. ————— 1,744,000

Miscellaneous services ————— 360,000

Gentlemen would observe that this was more than the last year by 100,000l. and which arose from the increase in the article of secret service money. In time of peace the sum for this service was 28,000l. This year it had advanced to 151,000l.

The next article that he should state, would be the necessary sum for replacing Exchequer bills. The amount of the Exchequer bills was ————— 6,000,000

Though it stood, however, at this sum on the supply side of the account, yet as it was his intention, as an article of Ways and Means, to move for a vote of credit for 3,500,000l. there would in reality be no more than 2,500,000l. to be provided for in the supply of the year.

The next sum was what he was sure gentlemen would think it right for him to continue; he meant the provision for the national debt. It was a matter of consolation to gentlemen to know that the measure for the reduction of our debt was persevered in with unceasing steadiness, and that the benefits of it were daily felt in the efficacy of the fund set apart for that purpose. The sum on this head was ————— 200,000

Gentlemen would recollect that when he made the loan of 18,000,000 last year, he stated the reasonable expectation which he had of receiving from the India Company 500,000l. But lest that sum should not be paid, he had provided taxes for nineteen millions instead of eighteen.

In looking, however, at the deficiencies of the grants, he should lay out of the consideration for the present this circumstance, and should take it on the same ground as last year. Under all the various heads, the deficiencies of grants he stated at 1,750,000l. The sum allowed for the prompt payment on the loan of last year was 344,000l. and the interest upon Exchequer bills he stated at 240,000l. making together the sum of 2,357,000l. But from this was to be deducted the sum of 28,000l. which the land and malt produced above the sum taken in the deficiencies of last year. The whole of the deficiencies therefore he would state at 2,333,000

The whole of the supply therefore for the year, as he had stated under the particular heads, would be ————— 27,662,000

[It is to be remarked, that Mr. Chancellor Pitt, in going through this statement does not descend to fractions.]

He had now, he said, to state the Ways and Means by which he was to meet this supply. The first article was that which was always taken at the same sum, land and malt, ————— 2,750,000

Exchequer bills ————— 3,500,000

Of the permanent taxes, the produce he must say had been very good. The accounts had been laid upon the table, and gentlemen would see, that independant of the new taxes, the produce for the last year had been [£]13,598,000
 11,532,000
 On the average of three years the produce was 13,933,271l.
 and this would be the fair amount at which they ought to be taken. The permanent charge upon the consolidated fund was 11,532,000l. £2,066,000

The sum to be expected from the imprest now in the hands of accountants, but upon which they might rationally calculate, would be 200,000l.

The sum to be expected from Dutch prizes, on which His Majesty had been pleased to signify his royal pleasure, gentlemen would see, might be brought into the account with strict regard both to justice and liberality; the captures were made in a great degree before the two countries were in a state of hostility, by the order of the Ministers, without risque or hazard to the captors, and without that sort of labour and exertion which was the foundation of prize. Others, however, had certainly been made with great personal hazard, and with great exertion. His Majesty would in all the variety of cases, make just and liberal allowance to the satisfaction of the service; but with all this a considerable sum would accrue applicable to the public service. He would take it at 1,000,000l. All these, therefore, he should take at ————— 3,595,000

Add to this the loan of ————— 18,000,000

Which would make the sum of ————— 27,845,000

He might state that he had in reserve taken for 1,000,000l. which had been laid on last year above the sum which he had bor-

1	200,000	3,595,000
	1,000,000	1,200,000
	<u>1,200,000</u>	<u>2,395,000</u>

rowed; but he would leave that to meet any future expences that were unforeseen, or to make up for any deficiency that there might be in the taxes generally. It was now his duty to state what farther sums there would be to be provided for in the course of the present session.

The navy debt had largely increased. This was, however, a circumstance that was much less to be regretted than any other branch of the public service, since the great exertions which had been made, had raised our navy to so proud a height. It had increased too on account of circumstances which were not likely to arise again, or at least not in the same degree. The transport service had been a heavy article of charge. The debt had increased to 5,000,000l. It was 3,500,000l. on the 31st December, 1794, so that the increase of navy debt was 1,500,000l. This was to be ascribed to the useful measure which had been adopted of the purchase of India ships, and to the employment of a great number of transports. He had perfect confidence that this service would be diminished in the ensuing year, and that at least they might hope for a saving in this branch of at least two millions and a half. If they next looked to the army extraordinaries, it would be found, that the heaviest articles of expence were those which it was impossible for Ministers to control or examine at the moment they were incurred. The principal expences arose from causes connected with the service on the Continent. Now that this service ceased to exist, he was confident that a considerable saving might be made; and that they would not exceed the sum of two millions and a half. He estimated therefore the sum which they would have to incur on these two heads in the course of this year beyond the estimates, at 4,000,000l.

Another important sum which they would have to look for in the course of this year, would be the bounties on the corn to be imported into this country. On this head it was impossible to speak with any certainty: he wished it were possible to extend it to the widest sum, that gentlemen in their hopes for assistance from abroad might be disposed to look to. He owned, for his own part, that his expectations were not sanguine. It was a head of service to the amount of which he looked with hope rather than fear; and he should be extremely happy to find that he had a great sum to provide for upon this account. He did not think it probable, however, that any gentleman would disagree with him in thinking that the sum of 1,000,000l. was not as large and as wide a sum for bounties as were likely to be called for. These sums taken together, therefore, would make 5,000,000l. for which they would have to provide.

Navy

Army Extraordinary Expenses

On the other hand, there was a fund to which they might look with confidence, if gentlemen were disposed to refer to it in aid of the public service. It had been a subject of great discussion in that House, and upon which there certainly was great contrariety of opinion. Upon an average of three years it had produced 300,000l. to the nation. The provision which the liberality of the Public had made for the American Loyalists, and charged upon this fund, was almost made good: but 250,000l. only would be due after this year; and therefore, if gentlemen thought that the produce of the lottery was not more than counter-balanced by the pernicious effects which it had upon the community, they might undoubtedly look to this as to a fund applicable to the public exigency. Gentlemen would see that the permanent taxes, and the growing produce of the consolidated fund, was more than equal to the existing charge upon it: and he had the pleasure to find that, as far as could be yet ascertained, the produce of the taxes of last year bid fair to come up to the sums at which they were taken; they had already produced two-thirds of the whole. He had now, therefore, only to find taxes for the eighteen millions, which was the amount of the loan, and for which he had contracted. He should shortly state the terms, and should by and by come to explain to the Committee the reasons upon which he had acted in the bargain that he had made. The interest on every hundred pounds which he had borrowed was 4l. 13s. 6d. to which was to be added the one per cent. wisely provided for by Parliament in aid of the fund for discharging the national debt; that its operation might keep pace with every increase of the capital. This made the total interest on every hundred pounds 6l. 3s. 6d. which interest on a loan of 18,000,000l. amounted to the annual sum of 1,111,500l. and for this sum he had to propose to the Committee taxes as a provision.

TAXES.

In doing this he should begin by enumerating shortly the several articles upon which he proposed to submit new duties, or increased duties, and which he thought were fair objects of taxation. The two first were material articles, to which he believed there would be no objection, since they attached to property, and would be felt only by the higher and richer orders of the community; and it was with peculiar propriety, that in a war which had for its basis the security of property, those persons who were happily possessed of wealth, should peculiarly contribute to its support.

The first tax which he had to propose, therefore, was, upon that

species of legacy, which, without taking in the lineal heirs, extended to collateral branches and to strangers.

The second was an additional duty of ten per cent. on the assessed taxes.

The next was a tax upon horses. The Committee knew that there was at this time a duty upon horses kept for pleasure only, with an exception in favour of those which were employed in industry. It was his intention to double the duty upon all horses kept for pleasure, following the same advances in proportion to the number as were now observed; and upon all horses employed in trade and agriculture, he proposed to lay a very small and trifling duty.

The next was an article of very general and very large consumption, which by their late regulations had been freed from fraud, and which he was persuaded would bear a small additional tax without inconvenience, he meant tobacco.

The next was also an article of general use, upon which there was at present a duty, but which he was persuaded would bear an increase; he meant printed cottons and calicoes.

The next was a very small matter of regulation, and not a duty, upon salt; and

The last would be a reduction of the bounty on the export of refined sugar, which, he was confident, might be done without any diminution of the trade.

He had thus hurried over the several articles upon which he proposed to submit to the Committee additional taxes; and that he might satisfy the impatience of gentlemen, he had avoided going into the detail upon them, as he passed. It would be now, however, his duty to enter more particularly into each.

LEGACIES.

It would be obviously extremely difficult to form any other than a wide conjecture on the probable amount of a tax of this description. He was disposed to recur to it upon mature reflection. It had been a tax which in the only country of Europe that in its prosperity bore any resemblance to England, had existed without hardship or complaint; he meant in Holland. It had been found by no means oppressive or inconvenient; nor had it in any degree taken from industry its stimulus in the acquisition of wealth. The principle of the tax was also recognized in England, where a duty upon certain kinds of legacies had existed for several years. That duty was at first one per cent. on all legacies beyond a certain sum; it was afterwards extended to two per cent. and afterwards again extended by another act. The principle, therefore, was not new, and it was

his intention to propose to enforce it, and to make it on all legacies, with an exception only of those to widows, and to the lineal descent. He proposed to lay

A tax of two per cent. on all legacies above a certain extent to persons in the first collateral degree of relationship, and also to extend to residuary legatees.

3 per cent. on the next degree of relationship.

4 per cent. on legacies to more distant degree of relations; and

6 per cent. on all legacies to the still more distant branches of a family, and to strangers.

Again he must say, that in a war for the protection of property it was just and equitable that property should bear the burden; and as it was in the nature of things that landed property was the most permanent, it was first fit that it should contribute accordingly. It was not, however, to be confined to any species of property, it was to include both landed and personal; but it was to have no operation on the actual possessors; nor would it affect the first degrees of consanguinity. In every case the widow, and the direct descent would be excepted; and the operation of the tax would be as follows:

2 per cent. on the first collateral branch;

3 per cent. on first cousins;

4 per cent. on second cousins; and

6 per cent. on more remote relations, and on strangers.

This tax would be on the capital bequeathed. It was difficult to say by what criterion they could judge of the probable income of such a tax. By the probates of wills it was found, that about 3 per cent. was the medium sum to be expected from such a tax; but it was not easy to calculate what would be the amount of its operation. It would be very difficult to distinguish between the quantity of property that went in the lineal descent and that which went to collateral branches. Nor would it be easy to ascertain what was the general amount of property. In the beginning of the present century, chiefly in the reign of Queen Anne, many inquiries had been made about the extent of landed and personal property in England. The estimates had widely differed, and it had not been possible to ascertain the exact amount. The lowest calculation that had been made, however, was, that the annual rental of Great Britain was twenty-five millions. This was certainly greatly within the mark. But, taking it at this rate, and estimating this rental at 28 years' purchase,

The value of the landed property of the kingdom
was ————— £700,000,000
Personal property was estimated at ————— 600,000,000

So that the whole property of Great Britain was £1,300,000,000

To form some conjecture of the amount of the transfer of property by testament, the records of the ecclesiastical courts of Canterbury and York had been searched; and it had been found, that about one-third of the whole of the testaments that were made went to collateral branches. Of landed property the proportion was less — it was about one-fifth; and therefore it might be advisable, in a conjectural calculation like this, to take the medium, which was one-fourth, upon which to form the probable estimate. On the transfer by will, therefore, of 325,000l. divided again by 33, which, in calculations of this kind was thought a fair standard, the result would be, that this tax should produce 294,000l. a year. From this, however, he must deduct the present tax upon legacies, which amounted to 44,000l. a year. He should therefore take the new tax at 250,000l.

ASSESSED TAXES.

It would not be necessary for him to enter into any detail upon this head. The amount of the assessed taxes was well ascertained, and it was only necessary to state that he meant to exempt horses from this additional assessment, as they were to make a separate tax. He estimated the new tax of 10 per cent. on the assessed taxes, including, he said, the commutation tax, at 140,000l.

HORSES.

The duty on horses kept for pleasure, as gentlemen well knew, was at present ten shillings on one horse, and that it gradually rose till it came to be double, on persons keeping six horses. It was his intention to double the tax on all the gradations, so that it would now be, 11. on a person who kept one horse, and 121. on those who had six. He had reason to believe that the smallness of this tax would not have such an operation as to diminish the number of horses kept for pleasure, but he should take it at a very moderate sum, he should estimate the produce at no more than 116,000l.

He also intended to lay a small tax now upon that description of horses which had been before excepted; he meant on horses which were kept for industry only. He flattered himself that this would not be considered as any very heavy burden upon industry, and that no farmer would feel its weight, or be tempted to keep fewer horses

upon account of it. The tax which he proposed was no more than 2s. per horse, and it was not to increase whatever might be the number kept by one individual. A farmer, therefore, having four horses, would have only eight shillings to pay, a sum which he was persuaded would not be felt to be severe. The produce of this tax was necessarily doubtful, as they had no means of ascertaining the number kept. It was supposed, however, that there were at least one million of such horses in the kingdom, and he should therefore take the tax at 100,000l.

TOBACCO.

The Committee were aware that the regulations which had been made upon this article sometime ago, had happily put an end to all the frauds which had been suffered, and a great and most productive revenue had accrued. The consumption had at the same time increased, and he had every reason to believe that this article of luxury would bear an additional tax of 4d. per pound, without any apprehension of lessening the consumption, or of giving rise to new frauds. This tax would produce 170,000l.

PRINTED CALICOES.

This was also an article so flourishing, and in such universal consumption, that he was persuaded no injury would be done to the trade, by laying a small additional duty. Printed goods now bore a tax of three-pence half-penny per yard; it was his intention to lay an additional two-pence half-penny, making the whole tax six-pence per yard. He estimated this tax at 135,000l.

SALT.

Upon this he did not mean to lay any additional duty; it was simply a matter of regulation. At this time there was a discount allowed of 10 per cent. upon prompt payment, and too long time was allowed for the payment of the duty. There was also an allowance for waste on its being carried coast ways, whereas upon experience it was found to gain. The proposed regulations would produce 32,000l.

SUGAR.

This was also to be considered rather as a regulation than a tax. There was a bounty upon the exportation of refined sugars, which was not necessary to be continued to the present amount, for the encouragement of the trade. It operated as an injury, in so far as it tended to increase the price of the article for the home consumption.

0404

Gentlemen would be astonished to hear that the amount of the drawback paid for the exportation of refined sugar last year, amounted to between 7 and 8,000,000l. though the whole duty on the import had been only 1,200,000l. He proposed to reduce one fourth of the present drawback, which would be a saving to the revenue of 1,800,000l.

These were the taxes which he meant to propose to the Committee, and which he had no doubt would be found to be productive, and to be fully equal to the annuity wanted. For the sake of perspicuity, he begged leave to recapitulate them—

RECAPITULATION OF TAXES.

Form 2 to 6 per cent. on legacies	250,000
10 per cent. on the assessed taxes	140,000
From 1l. up to 2l. on horses kept for pleasure	116,000
Two shillings on horses kept for industry	100,000
Fourpence per pound on tobacco	170,000
Twopence halfpenny per yard on printed calicoes	135,000
Salt	32,000
Refined sugar	180,000

* This Tax given up

In all, £1,123,000

The whole amount of the sum for which he estimated the new taxes, would be one million one hundred and twenty thousand pounds; and the sum for the payment of the interest of the sum borrowed, was only one million one hundred and fifteen thousand pounds—which would have been all that might have been necessary for him to submit to the Committee upon the present occasion, if nothing had been said against the terms on which he had bargained for the loan. But a particular reference had been made to the Committee by a petition which stated certain circumstances upon that subject. He should therefore call the attention of the Committee to the manner in which he had concluded the bargain upon the loan, the interest for which produced the necessity for the present additional burdens upon the Public. He had already stated the amount of that interest, which was but little better than four and a half per cent.; it being nothing more than 4l. 13s. 6d. per cent. to which being added a provision for the reduction of the capital in the proportion of one per cent. on the sum borrowed; would then make the whole sum amount to about six per cent. The Committee would recollect the situation of this country. We were now in the fourth year of a war, which was represented by some to be

The War

the most disastrous, allowed by all to be the most arduous, in which this country had ever been engaged. At the period of the fourth year of such a war, the Public had a loan of eighteen millions of money, upon terms but a little more than four and an half per cent. This he stated for the purpose of shewing the state of our public credit, and the opinion which monied men entertained of our resources; this was certainly *prima facie* evidence of our prosperity. He had discharged his duty in stating this to the House. He had discharged it, too, he hoped, in obtaining, under all the circumstances, the best terms that could be obtained—terms, as favourable, as he thought, ought to be obtained with due regard to the real interests of the Public. He knew that the petition which had been referred to that Committee stated, that he had departed from the mode which had usually been adopted; a mode which, of all others, when practicable, he should be the most ready to adopt, and which he had stated to be preferable to any other—he meant that of making the bidding an open competition. He should state to the Committee, under what circumstances it was, that he had entered into the present bargain. It was his wish, that the present, like former loans, should have been conducted in the way of competition. But it was suggested in conversation, that no new competition should take place, till those who were engaged in the former loan had paid up the money, and that it was not usual that any application should be made for payment on a new loan till the former had been completed. It was stated, that a considerable part of the loan of last year was still due; that several millions of scrip, had not been paid up; and that there were some of the subscribers who carried on their engagements to the 6th of February. This had been suggested to him by several gentlemen, and upon weighing the statement with a proper degree of attention, he found that the facts were strictly accurate. But he felt this very forcibly when he came to consider that he must either defer this loan until February, or bring it forward against the consent of the subscribers of the former loan, neither of which did he wish to do. Postpone the loan, after notice had been given, that it should be brought forward, and when so much depended on the impression to be made both at home and abroad! Determined as he was to lose not a moment to state the vigorous resources of the country, and the extensive means it possessed for prosecuting the contest, the consideration of delay would not, however, have singly induced him to forego the mode of open and public competition. But the gentlemen who contracted for the last loan stated, that they were willing that this loan might be proposed to other parties, provided an option was reserved to them

to take it at a profit of one half per cent. less than any other bidder, which upon the sum of 18 millions amounts to a saving to the Public of 90,000l. If this engagement made the loan so much the less tempting as to preclude others from making their offers, it must be supposed indeed that the loan was little worth having, if a difference of a half per cent. on the first offer, they might be disposed to make, so decidedly turned the scale. At the same time, feeling that this engagement might, to a certain degree, discourage competition, from the uncertainty which all who made offers must necessarily feel with respect to their ultimate success; and being sensible that it was incumbent upon him decidedly to secure the interests of the Public, before he consented to this engagement, he took an opportunity, in the presence of the Governor and Deputy Governor of the Bank of England, to bind the present subscribers to accept the terms on which the loan was now fixed, and which he conceived to be as advantageous on a ground of fair and liberal policy, and with a view to the public credit, as could possibly be required. They made him, as it were, an arbitrator between them and the Public, and if the competitions failed in this case, he had grossly erred indeed in his judgement, if any competition would have made the terms much better. He thought it right, however, in presence of those persons whom he had mentioned already, to state all the circumstances which might be considered as having a probable effect on the loan. He had stated to them what was the amount of the unfunded debt, the navy debt, and all these points which might add to the public pressure. There was another subject which he took occasion to state, and which it was important for him to reserve a free opinion on in the House: the measure of giving the farther aid of the public credit to the Emperor. When a loan was last year guaranteed to that Prince, the subject received much discussion, and was warmly opposed by some gentlemen on the other side. Their objections to the measure might, perhaps, be strengthened by the inactivity which the Austrians shewed at the commencement of the season, and during the greater part of the campaign. But those who approved of that measure must look with joy and pride to the events which, within these six last weeks, had taken place on the Rhine, where the resources of this country had operated as the sinews of war, and produced consequences the most important to Great Britain and to Europe. How far those events, the state of the war, and the necessity of affording farther assistance from our resources, in order to give full effect to the advantages which have been acquired, ought to induce the House to adopt some measure similar to that of last year, were questions which would come with

*Austrian
Success*

more propriety to be considered at another period. He would say nothing at present to preclude the House from the free discussion of that measure, if the Emperor should be found to desire their assistance, and if they should think proper to grant it. He only took the precaution to state, that there might be a loan in 1796, to the Emperor, to the extent of three millions, and under all these circumstances the present loan was concluded. The Chancellor of the Exchequer, in order to prove that the loan was an advantageous bargain, for the Public referred the Committee to the terms of former loans. It was concluded upon terms more reasonable than those of the loan of last year, which, though it had undergone a good deal of criticism, on account of having been settled previous to the meeting of Parliament, and of being connected with the loan to the Emperor, had still been admitted to be as moderate as it ought to be in the terms which were fixed for the Public. This, he contended, was a sure ground for him to go on in the present instance, and a satisfactory argument why he should not delay to conclude his bargain, upon terms which, in a former instance, had been found to conciliate universal approbation. These terms were better than those of any former war. Take the last war, for instance, and compare the present with the rate of interest then. From the year 1779, up to the conclusion of that war, there was hardly a loan concluded in which the rate of interest was not about 5l. 10s. and this was little more than four and an half per cent. He would say farther, it was a proof of our prosperity; for if gentlemen would compare the terms of the present loan with that which was made in 1783 upon the establishment of peace, when a loan was wanted in order to wind up the concerns of the war, the present would be found to be better than the terms of that loan. I contend, said the Chancellor of the Exchequer, this loan to be highly satisfactory, with respect to our present situation, and highly consoling, with respect to our future prospects, equitable and just in its principle, and advantageous in the stipulations, which it secures to the country. I put it to the House, whether, having in my power to conclude a private engagement of such a nature, I was bound to press farther the point of competition, or let slip the opportunity to inspire this country with confidence, and strike terror to the enemy, the effects of which, if sanctioned by the House, may be, to accelerate the period when the enemy shall be brought to offer such terms of peace as you may be able safely and honourably to accept. I am sensible, that by my conduct in this affair, I have exposed myself, as on other occasions, to personal misconstruction; I can only take refuge in my own intentions. But after the statement I have now

given, I think I may with confidence appeal to the candour, the fairness, and the justice of the House. The advantage of this loan will appear still more decidedly, if we look to the contrasted situation of the enemy, tottering on the brink, nay, immersed in the gulph of ruin, incapable of devising any expedient to retrieve the desperate state of their resources, and who, in the flourishing circumstances, and vigorous resources of this country, must perceive the impotency of all their efforts, and the annihilation of all their hopes. Whatever effect the petition may have on the judgement, which the House shall form with respect to my conduct, it must be matter of satisfaction to the country, that the ground of complaint against the Chancellor of the Exchequer is, that he did not allow an opportunity to those who were running the race for the purpose of subscribing to the public loan, to urge their respective claims, and vie with one another in the moderation of their offers.

This complaint never could have happened, if the opinion of the national credit did not rest upon the most clear, solid, and substantial ground; whatever it may prove with respect to me, it indisputably shews that the prosperity of the country stands upon a foundation, that cannot be shaken. This prosperity rests upon a steady adherence to the principle, which the wisdom of Parliament has established—taking care, in every instance, that its providence shall keep pace with its zeal, and that the most vigorous exertions for the present shall be accompanied by the most salutary provisions for the future. If from this general principle you look to the detail of your situation, you will find that, with an extended commerce, exposed to suffer on all points from the attacks and depredations of the enemy, the deficiency of the public income has not been greater than may be accounted for from a common state of fluctuation; that the taxes which have been created during the years of war have been found fully adequate to their purposes, and that no charges have been kept back, as in former wars, to eat into your funds at a future period, but that every expence has been brought forward the moment it could be ascertained, and provided for with the most ample liberality, and the smallest possible oppression. Such are the circumstances which mark our situation in the fourth year of the war; they are circumstances which ought to animate our exertions, and to encourage our hopes, to enable us to meet the contest with firmness and vigour, and to look with perseverance and confidence to such a termination of the struggle, as may be consistent with the justice of our cause, and the relative situation in which we stand with respect to the enemy. He concluded with moving his first resolution.

Mr. W. SMITH, conscious, that the subject which he was

about to introduce, sunk far below the level of the general interest of the statements of the right honourable the Chancellor of the Exchequer, scarcely expected to gain the patient attention of the House, though from its importance he considered himself as fairly entitled to a candid hearing. And on the first setting out, observing so great a number of gentlemen leave the House, he thought it necessary to press the consideration how far it was decent and becoming in the representatives of the people, to shew so much remissness and indifference to their pecuniary interests, as to withdraw at a moment when the terms of a loan to the immense amount of eighteen millions, were to be brought under discussion. As to the personal concern which he had in the business, it went no farther than having presented a petition from a number of respectable individuals, in compliance with an application which had been made to him on Friday morning last. And to the subject of this petition he meant at present entirely to confine his observations, finding himself unequal to a discussion of the extensive details of the right honourable gentleman. It appeared to him, that the conclusion of his speech served to strengthen rather than to diminish the force of the petition; for nothing could be more clear than if the state of the monied interest in this kingdom, was such as to claim a competition, in cases where national loans were to be raised, that there ought to be the most cogent and weighty reasons for not shutting the market against such competition. This being the case, two considerations occurred for discussion, whether the loan was made on the best possible terms, and if it could be shewn that it was not, whether Parliament ought to sanction a bargain, in which an immense sum of the public money had been no better than thrown away. There were two points to which he was prepared to speak, had it been necessary, namely, the intention of Mr. Morgan and his friends to bid for the loan, and the profession which was at one time made by the Chancellor of the Exchequer, of making it an open loan. But as neither of these points were disputed, he would proceed to examine the reasons that were given for rejecting a competition. He was instructed to say, that till the night immediately preceding the 25th of November, no memorial was presented by Mr. Boyd and his friends, and that they had never till that time publicly talked of presenting any such memorial. Now if this was the fact, and if it was not he begged to be corrected, was it not evident, that if every thing was fairly and liberally meant, that that night would not have been chosen for presenting the memorial, when it was known ten days before, that it was the intention of the Minister to raise the loan by competition. For as early as the 16th of November, Mr. Morgan was informed

of this intention by the governor of the Bank of England, at which time no notice was given that there was to be a preference shewn to any particular bidders. To this statement, it was remarkable, there had not yet been any opposition; and he held a circular letter in his hand from an honourable Secretary to the contractors, wherein a general invitation was given without any mention of preference whatever. It seemed Mr. Boyd contended, that he and his friends had a lease of the market for a year: but the assertion was founded on a gross misrepresentation, namely, that five millions of the last loan was not paid up; whereas he was ready to prove, that only 477,000l. of the last year's loan remained unpaid. The explanation, to which they resorted was specious, but would not abide the test of examination. They said, that near five millions remained to be entered in the bank books, and till it was entered, it could not be said to be paid to the Public. But it was notorious, that the money was in the market—that it was equally negotiable with any other stock, and that it had not the smallest influence on the rise or fall of the funds; and therefore though it might be strictly true, it could not warrant the plea which they founded upon it. The question then was, whether the circumstance of 477,000l. of the last year's loan, remaining unpaid, could justify a preference in the bargain for the loan of this year, by which a sum full to that amount was lost to the nation. For he would contend that the Minister might as well have said to Mr. Boyd and his friends, keep this 477,000l. altogether, as have shut the market against Mr. Morgan, and those who wished to be partners with him in the bargain on the present occasion. It was said that the present petitioners, three years ago, made a similar objection to that brought forward by Messrs. Boyd and Co. But the difference was simply this: on that occasion the loan of twelve millions was contracted for in January or February, and another loan of three millions was proposed to be raised for the Emperor in the May following, (not in December it was to be remarked) when the other loan was at considerable discount, or when it was selling at a very considerable premium indeed. Besides who would have been the sufferers, supposing that Mr. Morgan and his friends had been admitted to competition? Not the subscribers to the last loan, for Mr. Boyd had connected himself this year with quite a different party from his last year's friends, who were perfectly satisfied with having sold their shares with a profit of 12 or 14 per cent. And he would ask if it was reasonable, that an individual with a new list of subscribers, should come forward and press an advantage, to which if he had any just claim, it was only while he retained his former connections?

There was also another very considerable difference between the circumstance of the present loan and that of 1793. Then there was an express stipulation reduced to writing, that there should be no other loan; but in the present case, the language had been so vague and loose, that the Chancellor of the Exchequer hardly recollected that there was any engagement of the kind. And with such of his powers of recollection, as he was confessed to possess, could with difficulty recall such a provision having been made, and could so far have forgotten the stipulation as to have announced his intention of making an open loan, the engagement, if it had any actual existence, must have been of a slender nature indeed. In a letter which he sent to Mr. Morgan, he stated, that Messrs. Boyd and Co. considered themselves as entitled to a preference, and that he thought them worthy of some degree of attention. But could this degree of attention be supposed to extend to a preference to the amount of 400,000l.? It was utterly impossible, in his opinion, that at the moment when the Chancellor of the Exchequer thus expressed himself, he had an idea of giving an exclusive preference to Messrs. Boyd and Co. But it still was said, that there was some chance of competition left to Mr. Morgan. If it was examined, however, it would be found to be nothing more than this: Give in your terms, and if in the opinion of Mr. Boyd, they are not worth his acceptance, then you are saddled with them, and you may make the best you can of a bad bargain. But if Mr. Boyd thinks he can pay a half per cent. more, you shall not get a guinea. Who but an idiot would ever have entered into a competition upon such terms? Was it not notorious to every monied man, that when a loan hangs on, it commonly goes into the market at a considerable discount? The loan then, supposing Mr. Morgan to have got it, would have come into the market in a most suspicious shape. The public would naturally say, Mr. Morgan has concluded a bargain, which Mr. Boyd does not consider as worth five per cent. premium, and therefore it cannot be supposed to present an advantageous market for our money. Was this then an equitable competition, or was it in fact any competition at all? So much for the competition, and so much for the claim of Messrs. Boyd and Co. to an exclusive competition. He was not inclined to repose much confidence in popular rumour, but it was notorious among monied men, that Boyd was to have the loan, for several months before it was contracted. Odds were repeatedly offered that there would be no competition, and even on the supposition of a competition, that Boyd and Co. would get it. The inference was, that they had a strong persuasion, originating in whatever cause, that they were to have an exclusive preference;

and it was even reported, that they had sold some shares of the loan before it was contracted for. On the terms of the loan he did not mean to enter much at large, as the question before the Committee did not so much turn upon the terms, as upon the deviation from the usual mode of competition. On every former occasion, both under the administration of Lord North, and of the present Minister, it had been the uniform practice to have a meeting of those who intended to bid, at which the competitors were informed of the extent of the loan, and something of the general terms on which the Government wished to borrow; and a day being allowed them to consider of the subject, they waited on the Minister on the third day with their offers. But in this instance he was instructed to say, that when Mr. Morgan came into the City the day after he had been first apprised by the Chancellor of the Exchequer of the preference which he meant to give to Messrs. Boyd and Co. to complain to his friends of the manner in which he had been treated, he was informed that the bargain had been concluded on the night before with Mr. Boyd, not even the day which was usually allowed for competitions, to make out their offer, being permitted to intervene. He could not conceive that the pressure was so great that it could not admit of a single day's delay. Ought not the Minister to have said to Mr. Boyd, I have already announced an open loan, notice has been given me of an inclination to a competition, and I must at least call on the bidders and receive their proposals. The right honourable gentleman seemed to rest his cause upon the goodness of the terms. The best mode to ascertain this would be by referring to former loans. If the present was at a low premium it would have the appearance of argument in its favour. He compared it with the years 1775 and 1776, when it fell from one to two and two and a half per cent. discount. Had that been the case at present, it might have been said to be a bargain, although a close loan, with only the appearance of competition. In 1780 indeed, towards the conclusion of the American war the loan came on at 4 and $4\frac{1}{2}$ per cent. premium, and rose to a seventh and eighth, and in 1782, it came out at 10 per cent. premium, and rose afterwards to 11, but he supposed the right honourable gentleman did not wish to rest his character either of policy, finance, or adherence to constitutional principles, upon a comparison with that period. There was not only a difficulty in raising sums at that time, but a difficulty of keeping together a majority of the House, which was in some way connected with the enormous premium on the loans. Their loans were expressly and notoriously made to keep majorities; he did not say that such was the case now, but he did not deny that such an idea

might be apt to occur to the public mind. He believed the ground and arguments then of the right honourable gentleman to be no instance of the real goodness of the bargain, nor had he even followed his own principle. In the year before last there was a competition for 12,000,000*l.* since which time the right honourable gentleman had deviated from his own plan, for the premium of last year was larger than had been known. In the present year, a peace might not be far distant, and it was laid down that the means of the enemy were only sufficient for a small part of the next year. Under these circumstances, with a peace staring them in the face, [a laugh] and so much money in the market, it was impossible in the nature of things not to derive a good bargain, when the very next day after it was made, the contractor sold his loan at $5\frac{1}{2}$ premium; that is, for 18,000,000*l.* he gained one million. Mr. Smith was aware that a loan had been at $6\frac{1}{2}$ premium, which, according to the present, would be at the rate of 1,100,000 upon the whole capital; but he observed the comparison must then be between the two last years of the American war, and no other, for it could only be reckoned advantageous in comparison with these, and the average premium then was nothing like what the loan now bears. The arguments of the right honourable gentleman, therefore, were directly on his side, for if the premium were low, competitors were to be had, and if it be high at this time, it is a proof that the bargain is not a good one for the people. Now, in point of fact, he contended that it might have been borrowed at two per cent. less. These very petitioners would have granted it at that rate. If no positive or actual proof could be offered, it might have been said, that men in the bitterness of disappointment and the heat of zeal, had merely come forward with assertions; but the gentlemen were ready to give their proof at the bar. He knew, however, that heads most ready to compute, may sometimes be mistaken in their calculations. The questions which he begged the House to keep in view were, whether a fair competition be likely to produce good to the Public, and if that principle had been acted upon, whether there might not have been a diminution of the public burden? If 400,000*l.* could have been saved, it was worth the having. Then he asked the House, whether it was not fit and becoming in Ministers, whether indeed it was not their bounden duty to have procured better terms, for this shadow of competition had produced no good, but on the contrary a great deal of mischief? The mischief was occasioned, he said, by the right honourable gentleman's arbitration, who did not wait for the proposal of Mr. Boyd, but made terms for him, and threw him in 6 per cent. when he might have

had it upon better terms. Nothing could be more clear than this assertion; for, after other competitors had withdrawn, he confessedly proposed his own terms to Mr. Boyd, and, instead of allowing two days more to give time for consideration, the bargain was concluded in the afternoon of the same day, upon the Minister's own suggestion. Having urged this very strongly, he wished to know if the right honourable gentleman had any means of getting rid of the difficulty? He knew that the right honourable gentleman did not proceed in this affair without communicating his proceedings to other persons. Mr. Smith had no reason to doubt of their integrity and ability; but he could not say that those were the most proper persons to consult who had an interest to make the terms to the Public as high as possible. He knew not why the Governor or Deputy Governor of the Bank of England, either from character or fortune, were more infallible than others; but he knew that, by the rules of that House, no person could retain a seat in it while he enjoyed a pension, nor could a placeman remain there till re-elected. On this principle he wished the Governor and Deputy Governor of the Bank had not been consulted: because they were officially entitled to a considerable part of the loan; and because no person could contend that they were proper advisers. The amount of the premium of the Governor alone exceeded that sum which his Majesty was enabled to grant from his civil list, namely 1200l. He must say therefore, that the persons consulted ought to have been, if possible, entirely disinterested. He wished every gentleman present to separate the censure of an improvident bargain, and the necessity of the House to sanction the supply, as much as possible. He did not wish to push censure, though he could not argue, if the House should refuse to sanction the engagement, that the refusal would imply censure, but he was bound to discharge his duty though it should do so. In regard to future bargains, he denied that the refusal would have an embarrassing or dangerous effect. If the sanction of that House must be given to every measure which a Minister chooses to undertake, the sanction itself is reduced to a futile and nugatory proposition. He was very ready therefore to say, that circumstances might warrant any gentleman to say, that he would not sanction the loan. On the other hand, the sanction of this loan went directly to prevent all future competition. On the present occasion it was understood, that it would be an open loan, and that bidders would be received on equal terms. Hence a number of people made provision, either by selling out their stock or raising sums for the purpose. Would any gentleman do this in future, unless they have previous reason to suppose that they shall actually have the loan, when they do not

know that a person may not come forward in twelve hours after their arrangements, upon grounds however light and frivolous, to supersede them.—[Here there was a cry for the question from some of the Members on the Treasury side.] He had now gone through every point. He was not surpris'd to hear the question called for, especially when he recollected that he had neither placed his arguments in such a lucid view as the right honourable gentleman, nor mixed them with general topics, such as the right honourable gentleman often found opportunity to introduce with so much approbation from one part of the House, and with so much entertainment to the whole. For gentlemen to betray eagerness, however, at such a time, to get rid of discussion, showed that they did not entertain a proper regard for the interests of their constituents or their own duty; and there never was a moment when those considerations pressed upon them more strongly than now. They were pressed to the consideration of the question by the plenty of money which was stated to be floating in the country, whereby the competition was more likely to have been beneficial to the people. They never could be more urgently called to such a discussion than when the taxes, already most enormous, were increased, and the country was in such a situation, that the lower classes of the payers of the taxes were even more distressed than their fellow creatures who obtain relief from the poor-rates, and when not only 400,000l. but even 40,000l. would be a proper object of investigation. He begged pardon for having detained the House so long, and for the prolix and irregular manner in which he had expressed his sentiments; but as he had only received some answers upon the subject a quarter of an hour before he rose to speak, he hoped to receive some degree of indulgence.

Mr. FOX disapproved of many parts of the budget, particularly of some of the taxes which had been proposed, but on the present occasion he meant to confine his observations to the subject of the loan, and even upon this subject, he found it unnecessary to add much in addition to what had been stated by his honourable friend. The first point to which he called the attention of the Committee, were the causes from which the difficulty proceeded. Why was it necessary to give the subscribers to the last year's loan any preference at all? When he put the question, he had no hesitation about the answer which he should receive.—That by one of the stipulations of the last year's loan, the Minister was bound to give a preference to Messrs. Boyd and Co. If this was really the case, why did he not give Mr. Morgan and his friends notice of this obligation? He would not charge him with having acted so basely, as with this stipulation

in his mind, to have imposed upon Mr. Morgan and the Public, by holding forth the expectation of an open loan, while at the same time he was positively determined to reject all competition; nor of putting individuals to the trouble, inconvenience, and loss of calling in their money, while at the same time he was resolved not to accept of a guinea from them for the public service. He was aware of what would also be here advanced, that the right honourable gentleman had no recollection of the obligation, at the time when he professed his intention of making an open loan. But surely, the obligation could not be serious, of which he had no distinct recollection, especially, as it involved a question of so great public moment; a question, from the decision of which, so much inconvenience to the individuals concerned, and so much loss to the Public at large, had unfortunately accrued. He contended, that it for ever put an end to all competition on public loans. — For instance, the last payment of the loan for the present year, is in December 1796, the consequence of which was, that if the war unfortunately continues throughout the year, if the expence unfortunately continues to exceed the calculations made for defraying it—If the country be unfortunately in a situation to require Parliament to meet next October, as it did last October; or if on the supposition that there are no financial reasons for contracting early for the loan, it may be found expedient in a political view, in order to shew the enemy the extent of our resources, and the vigour of our exertions, will not the Minister be under the same engagement then that he is at this moment, and be equally debarred from all the advantages of an open loan? But what is the nature of this engagement? If it would have been a breach of faith with Mr. Boyd to have left the market open for competition, since he is not connected with his old friends; in the present loan there has been the same breach of faith, on the part of Ministers, in respect to the former subscribers, as it would have been to Mr. Boyd to have made an open loan. When then can a competition be received? Not till a loan be contracted for, after the last payment of the preceding loan has been made. Mr. Fox was ready to exculpate the Chancellor of the Exchequer from having willingly acted an improper part to Mr. Morgan; but he could not exculpate him from a very improper degree of levity and inattention in making the stipulation for the last year's loan, in having come under such an engagement in January last, as for ever to preclude him from his favourite plan of competition. He called upon the Committee to reflect on the right honourable gentleman's own language respecting competition on different occasions. In 1793 a loan was made on the worst and most extravagant terms, and the only defence

which was set up for it was, that it was made by competition. The right honourable gentleman then contended, that in a constitutional view we were greater gainers by the mode in which the loan had been made, than we were losers in a financial view from the disadvantageous nature of the terms. He at that time agreed with him in the principle, and differed with him only on the mode of competition. The next year he pursued his plan of competition. And what was the consequence? A loan of eleven millions was raised on more advantageous terms than was almost ever known. Now he found his plan to answer as well in a political as in a financial view; and he triumphed in the success of his favourite idea. But from that very moment at which he had attained complete success, he abandoned it entirely, and though he had prepared the plan of competition, when it only answered constitutionally, he deserted it when it answered both constitutionally and financially. In the present instance all his confidence reposed in the goodness of the terms. For his own part, Mr. Fox thought that the terms were very bad. It was with much concern he heard of a deviation from the good old custom of allowing 24 hours to intervene between the first meeting upon the subject and the conclusion of the bargain. He also had occasion to repeat an observation which he had made last year, that if the stocks rise, then all the advantage is on the side of the individual, whereas if they fall, there is no legal, or at least no practical mode of enforcing the bargain. The loan, therefore, ought to be contracted for upon a fair estimate of the average price of stock, with a due regard both to the interests of the country, and the just profit of the individual. Mr. Fox then entered into a comparison between the terms of last year's loan and of the present, and contended, that a loan on the three per cents. was negotiable on much more advantageous terms, than on any other stock, because it gave a greater capital to the lender. The price of stock also was higher than it was last year, and a better bargain was to be expected upon that ground. Thus, in time of peace, a loan might be negotiated with a much smaller bonus than at any other time. The honourable gentleman next compared the present loan with that of 1783. Mr. Fox stated this loan to have been made in very unfavourable circumstances, and allowed it to have been a very bad one for the country. But would a bad loan in 1783 justify the House in acceding to a bad one in 1795? Would it justify them in acquiescing in the terms of the loan now proposed, under the present circumstances? Clearly not, for these terms were not obtained by competition. It might be said, that it was easy for individuals to circulate reports of what terms they would have offered. But it

was not a secret confined to a few hands, it was notorious that a great number of persons had collected an immense sum of money for paying the first installments, and how were they disappointed? Because the Chancellor of the Exchequer was under some obligation which he did not recollect, and which made it necessary for him to reject a competition. And this rejection he made, not in the most manly way, by talking of a competition, and at the same time by proposing it on such terms that no man in his senses would ever have thought of entering into it. He first declared that there was to be a competition, to the governor of the bank; and when upon this information, Mr. Morgan and his friends had waited upon him to give in their proposals, the terms were such, that no man could acquiesce in them. One very extraordinary circumstance which he had mentioned in his speech, he could not omit to notice, namely, that he had made his own terms with Mr. Boyd. That any man on an occasion of that nature, should trust the Chancellor of the Exchequer to settle the terms of a loan between him and the Public, shewed that the gentleman must indeed have had very implicit confidence in him to trust him in the official situation which he held as a referee and arbitrator. Such a generous offer, such a boldness of confidence, seemed to him to prove rather too much. The transaction, Mr. Fox said, might be considered in a double point of view, as an injury to the petitioners, and as a loss to the country. To Mr. Morgan it was clearly a serious loss, his money being called in for the purpose of making this application of it. And to the public, there was in the first place a loss of 400,000*l.* But this was the least part of the public injury. By deserting the plan of competition, he had outraged a fundamental principle of the Constitution, laid a precedent of which corrupt Ministers might in future avail themselves to the detriment of the public, and check for ever this spirit of adventure in the monied interest of the kingdom. For who in a future year would be inclined to follow Mr. Morgan's example? In vain the Governor of the Bank may give out that there is an open loan. He will not be believed. In vain he may assure the merchants there will be a fair competition. A previous obligation will always be suspected. Mr. Morgan and his friends, for two months past, have boasted, that they would have the loan; because, from their particular ideas of the state of public affairs, they thought that they would offer terms more advantageous to the public, than any other persons. But the answer they received was, No, you will not; for whether it is determined by competition, or without competition, Boyd will get it. When these facts are known, will it not be the opinion of the public, that the plan of competition is

for ever abandoned, because the principles on which it was pursued are abandoned? Mr. Fox wished to know if it was the intention of administration to propose a loan to the Emperor; and if it was, whether the Minister was under engagement to give it to the contractors of the present loan? He had many objections to make to the statement contained in the budget; and particularly to some of the taxes; but he would not enter into any discussion upon these topics, till the present important question was disposed of.

Mr. Chancellor PITT declared, that he knew of no agreement which had been entered into respecting the loan to the Emperor. With regard to the general question, whether, by his conduct in the adjustment of the present loan, he was to be considered as departing from the principle of competition, he hesitated not to say, that such was by no means his intention; on the contrary, he retained as strong an attachment to that mode as ever. With regard to the present instance, it remained for the Committee to judge of the peculiar circumstances under which he had departed from this principle; but it could not by any just inference follow, that because there might be exceptions to a rule in particular cases, that therefore he had abandoned the rule in all his future agreements.— Upon this maxim there must be an obstinate adherence to one particular system under all supposable cases that might occur, or otherwise he must be exposed to the charge of a fruitless departure from a given rule, for some improper purposes. He could not admit the force of either of these suppositions. It had been objected that by his agreement with Messrs. Boyd and Co. he had prevented other offers; he knew not whether this was true or not; but at any rate, the question which he was bound to consider was simply whether the terms which had been offered were such as he ought to approve? He apprehended he had assigned satisfactory reasons on this point.—It had been observed, that Messrs. Morgan and Co. had attended to receive, rather than to make proposals, and that they had withdrawn without any being made to them. He stated, that at that interview he had sufficiently explained the terms of the loan, and likewise, that in addition to the eighteen millions to be borrowed, there was possibility of funding five millions more of the navy debt, in addition to the advance of a loan of three millions to the Emperor. The right honourable gentleman (Mr. Fox) had entered into a comparison of the terms of the present loan with that of last year. He had observed, that the price of stocks fell during the discussion. Upon this point, he said, he would read to the Committee, a statement of the component parts of that loan, and the price of stocks, when that bargain was made. From that statement

(which he read) gentlemen would see, that the bonus of the present loan was somewhat less than the former, and not more than was necessary to give, under all existing circumstances. It had indeed, been said, that it must be expected that the bonus should be less, when the stocks were higher than they were last year; but he observed the rise of the funds was little more than 3 per cent. above what they were at the time of the former loan. It had also been remarked, that the bonus should have been less considerable since the loan had been principally made in the capital of the 3 per cents. Here he went over the leading principles which he had stated in his opening speech, and run over a paper, which stated the rates of interest of different loans. He particularly noticed the terms of the loan of 1794, when the system of competition had been stated to be carried to its utmost height; then the 3 per cents. were $67\frac{1}{4}$, and the 4 per cents. 83 and odd; the rate of interest on the eleven millions then borrowed was 4l. 11s. per cent, in the loan of to-day it was stated at about 4l. 13s and though this loan had been branded as so enormously extravagant, it was evident that there was not the difference of 2s. 6d of a loan of eighteen millions, compared with a loan of eleven millions, and that at the advanced period of the fourth year of the war in which we were engaged. Was this loan then, he asked, so bad, that the House of Commons were called upon to refuse to give it their sanction? This he could not believe; and he trusted that, considering all circumstances, the House would not stamp it with disapprobation; sure he was, that there was no part of his own conduct, which he felt the smallest reason to regret in the present instance.

Mr. FOX remarked the difference, that in the present loan there was only 6s. 6d. taken in long annuities, whereas the loan in 1794 was 12s. 6d. also that there was part of that loan in the 4 per cents. whereas the present was in the 3 per cents. He thought it strange that the 4 per cents. then, should be within 1 per cent, of what they are at present, whilst the 3 per cents. should be above 3l. less in value than now. On the subject of competition, which the right honourable gentleman had professed to adopt, he could not help observing, that of fifty-two millions and a half which that gentleman had had occasion to borrow for the public, twenty-one millions had been raised by competition, and thirty millions had formed an exception to the rule.

Sir FRANCIS BARING objected to the terms of the loan, and calculated it at the rate of 7 per cent. when taken at the full amount. The public would lose by it two millions sterling, though the Minister held out to view the greatest advantage. He compared the loan

of 1783, alluded to, and this, and said the advantage was on the side of the former, though the then Minister had not the benefit of the sinking fund.

Mr. Chancellor PITT said a few words on the funding the navy debt to the amount of five millions.

Mr. W. SMITH reverted to the transactions with Messrs. Morgan and Mellish, and observed, that though they could not be said to know exactly the terms which the Minister was to offer, yet they could not be ignorant, that, in addition to the eighteen millions, a certain number of navy bills were to be funded, and that they, with their friends, who were ready to offer for the eighteen millions, were at the same time ready to offer for more.

Mr. SHERIDAN said, he rose to make one observation; the right honourable gentleman had admitted that he had been in an error with respect to what passed with Mr. Boyd; that when he came to carry his project of competition into execution, he had, for the first time, discovered that he was entangled in an engagement, of which he was not before aware, and that had it not been for this, he would have proceeded to a loan by competition. He thought it extraordinary, that in transacting this loan, he should have forgot the circumstances that passed in conversation with Mr. Boyd. He said, that in a former conversation with Mr. Morgan, the right honourable gentleman was chargeable with the same forgetfulness as to the circumstances of the Austrian loan; that Mr. Morgan and his friends had taken fire at this, and had posted up a paper in the Stock Exchange. He thought it somewhat extraordinary, that after this rebuke which the right honourable gentleman had received, he should omit being explicit, whether or not there was to be another Austrian loan? He asserted, that the effect of this negligence would be a total loss of character, as to punctuality of business, a great pecuniary loss to Mr Morgan and his friends, and a loss to the public of near 400,000l. sterling. How far such a loss was criminal, he should leave to the Committee. The question he wished to ask was, whether the right honourable gentleman considered himself bound to contract no new loan till the last payment on the former one was made good?

Mr. Chancellor PITT explained the nature of the negotiation which he had entered into respecting the Austrian loan.

Mr. SHERIDAN insisted that Mr. Morgan proceeded not upon rumour but upon official documents, with respect to Mr. Chancellor Pitt's contracting for the Austrian loan.

Mr. HUSSEY reminded Mr. Chancellor Pitt how much the bonus increased the interest of the loan. He thought he was blame-

able for the manner in which he had disposed of the loan; and calculated the difference between 90,000l. which he had saved by giving the loan to Mr. Boyd, and the loss of 333,000l. which was ready to be given by Messrs. Morgan and others. He declared he had a commission to state to the House; and then read a letter (dated that day) from Mr. Morgan to Mr. Pitt, stating the advantageous terms to the public on which he had offered to take the loan. And another letter, signed by Dimsdale, and others, declaring, that in case Mr. Morgan's offer to contract for the loan was accepted, that they would engage to become the security for making the payment of 10l. per cent. on Thursday next.

Mr. Chancellor PITT declared, that with the letter now read, and which had been addressed to him, he had only then become acquainted for the first time, and he asked, whether a letter produced under such circumstances, and after the bargain has been concluded, would induce the Committee to suspend coming to determination on the subject. He submitted to the propriety of such a proceeding in matters of such importance and magnitude in commercial negotiations.

The question was clamorously called for in this stage of the Committee, when,

Mr. JEKYL rose and said, that this conduct did not redound to the honour of many members of that House, who discovered such impatience under a question which was to decide the saving of 400,000l. of the money of their constituents. Mr. Chancellor Pitt had admitted, that he had deviated from his usual plan, and it rested with him, (Mr. Jekyl) to explain, why that deviation was made, and why it was made for the purpose of giving a preference to Boyd and Co. in this transaction.—He said, he had formerly had occasion to inquire respecting bills purporting to be drawn in Hamburgh, (though he apprehended really drawn in this country) in the name of Boyd, and accepted by Rose and Long of the Treasury, and sent into the market to be discounted; the Bank of England had refused to discount the bills; and he remarked, that the period they had to run (for thirty days) expired at the very time that the first instalment of this new loan was to be made. Coupling this with what he had heard, that Mr. Boyd was sure of having the exclusive possession of this loan, he inferred, that he saw the true reason why Mr. Boyd was thus favoured with the loan, and that from these facts, he drew a presumptive proof of the use which Mr. Boyd's negotiations had been to him, by means of these shabby and swindling bills.

Mr. Chancellor PITT said, that if the honourable gentleman

chose to name any day, he was ready to go into any inquiry respecting these bills.

Mr. FOX considered this as a poor mode of excuse, when the right honourable gentleman's credit and honour were concerned. He thought Mr. Morgan had been ill used, and deceived into a risk of a considerable sum of money, and that he had a right to come forward, and state to the public that he was ready to make them a more advantageous offer. Mr. Fox observed that the right honourable gentleman had never answered this question, whether, when he gave Mr. Morgan reason to think that there would be a fair competition, he had at that time any circumstance in his mind which he knew would prevent him from giving Mr. Morgan and his friends that open competition which was held out? He complained of the mischievous effects both to Mr. Morgan and his friends, and the public at large, which had resulted from the want of this explicit information. He stated the difficulty, to which Government, under a pressure of the exigencies of the state, would be subjected, if by such a perfidious conduct Ministers put an end to all competition, by holding out lures to bidders, and then forming close contracts with the immediate creatures of their own power. He saw no reason why the Committee of the House of Commons should adopt the most expensive plan of bargaining for the public, on account of the improvident engagements of the Minister. If they were forced to become a party, he thought it should be party to the best bargain, which was the first engagement of the Minister with Mr. Morgan.

The question being called for, whether the Chairman should leave the chair, and report progress, the Committee divided,

Ayes, 27 Noes, 137

The Committee then proceeded to go through the remainder of the resolutions.

The House being resumed, the report of the Committee was ordered to be received to-morrow.

Tuesday, 8th December.

Strangers were not admitted, till the call of the House was disposed of, upon which we understand there were two divisions; first,

That the call be discharged, Ayes 109 Noes 210

And second, that the House be called over on Friday next, Ayes 190 Noes 123

MESSAGE FROM THE KING.

Mr. Chancellor PITT brought down the following message from

His Majesty, which was read by the Speaker, the members standing and uncovered:—

GEORGE R.

HIS Majesty relying on the assurances which he has received from his faithful Commons, of their determination to support His Majesty in those exertions which are necessary under the present circumstances, recommends it to this House to consider of making provision towards enabling His Majesty to defray any extraordinary expence which may be incurred for the service of the ensuing year, and to take such measures as the exigency of affairs may require. His Majesty, on this occasion, thinks proper to acquaint the House, that the crisis which was depending at the commencement of the present session has led to such an order of things in France as will induce His Majesty (conformably to the sentiments which He has already declared) to meet any disposition to negociation on the part of the enemy, with an earnest desire to give it the fullest and speediest effect, and to conclude a treaty of general peace, whenever it can be effected on just and suitable terms for Himself and His allies.

It is His Majesty's earnest wish that the spirit and determination manifested by Parliament, added to the recent and important successes of the Austrian armies, and to the continued and growing embarrassments of the enemy, may speedily conduce to the attainment of this object on such grounds as the justice of the cause, in which this country is engaged, and the situation of affairs, may entitle His Majesty to expect.

G. R.

Mr. Chancellor PITT regretted the absence of Mr. Grey, who had given notice of a motion respecting peace for to-morrow, as he wished to know, whether, after the message which had been read, that gentleman would bring forward his motion. If he did, he would defer the consideration of the message till after a decision had taken place on the proposition of the honourable gentleman; but he thought fit to postpone his motion respecting peace, then he would move that the King's message be taken into consideration to-morrow.

Mr. FOX said (Mr. Grey being absent) that he could not say whether his honourable friend would or would not bring on his motion; but he thought that the order of the day should stand for taking His Majesty's message into consideration to-morrow, and a debate might probably arise upon that question.

The following message was also delivered:

GEORGE R.

HIS Majesty thinks proper to acquaint the House of Commons, that a considerable division of ships, having on board foreign troops in the

service of Great Britain, having been dispersed and damaged, while on their passage from the river Elbe and Weser to Spithead, the place of rendezvous appointed for the convoy under which it was intended they should be sent on distant foreign service, His Majesty has found it unavoidably necessary to order the said troops to be disembarked, and to be stationed in barracks near Southampton, and in the Isle of Wight; and at the same time has given directions that they shall be re-embarked, and sent to the place of their destination, as soon as the transports necessary for their accommodation and conveyance shall be in readiness to receive them, the necessary orders for that purpose having by His Majesty's command been already given.

Mr. HOBART brought up the report of the Committee of Ways and Means for the year 1796. The resolutions were then read, and are as follow:

Mr. HOBART (according to order) reported from the Committee of the whole House, to whom it was referred to consider farther of ways and means for raising the supply granted to His Majesty, the resolutions which the Committee had directed him to report to the House; which he read in his place, and afterwards delivered in at the table, where the same were read, and agreed to by the House, and are as followeth, viz.

That, towards raising the supply granted to His Majesty, the sum of eighteen millions be raised by annuities.

That every contributor to the said sum of eighteen millions shall, for every 100l. contributed and paid, be intitled to the principal sum of 120l. in annuities, after the rate of 3l. per centum, to commence from the 5th day of July 1795, and to be added to, and made one joint stock with, the 3l. per centum annuities, consolidated by the acts of the 25th, 28th, 29th, 32d, and 33d years of the reign of His late Majesty King George the second, and by several subsequent acts, and to be payable and transferrable at the Bank of England, at the same time, and in the same manner, and subject to the like redemption by Parliament, as the said 3l. per centum consolidated annuities are payable and transferrable there: That every contributor shall also be intitled to the farther principal sum of 25l. in annuities, after the rate of 3l. per centum, to commence from the 10th day of October 1795, and to be added to, and made one joint stock with certain annuities, after the rate of 3l. per centum, which were reduced from 4l. to 3l. per centum per annum, by an act, made in the 23d year of the reign of His late Majesty, and to be payable and transferrable at the Bank of England, at the same time, and in the same manner, and subject to the like redemption by Parliament, as the said 3l. per centum consolidated annuities are payable and transferrable there: That every such contributor shall likewise be intitled to an annuity of six shillings and six pence per centum, to commence from the 10th day of October 1795, and to continue for the term of sixty-four years and a quarter, and then to cease, over and above the principal sums of 120l. after the rate of 3l. per centum per annum, and 25l. after the like rate of 3l. per centum per annum, in respect of every 100l. to be contributed and paid towards raising the said sum of eighteen millions, which annuity of six shillings and six pence per centum, so to continue for sixty-four years and a quarter, shall be added

to, and made one joint stock with, certain annuities payable at the Bank of England, which were granted for the several terms of ninety-nine, ninety-eight, eighty, Seventy-eight, seventy-seven years, seventy-five years and an half, sixty-nine years and a quarter, sixty-six years and a quarter, and sixty-five years and a quarter, and were, by the act of the 4th, 20th, and 22d years of the reign of His present Majesty, and by several subsequent acts, consolidated and made one joint stock of annuities, and shall be paid, payable, and transferrable, at the same time, and in the same manner, as the said annuities, so consolidated by the acts of the 4th, 20th, and 22d years of the reign of His present Majesty, are payable and transferrable at the said Bank of England: That the several annuities, after the rate of 3l. per centum, 3l. per centum and six shillings and sixpence per centum, so to be payable as aforesaid, shall be charged and chargeable upon, and payable out of, the Consolidated Fund: That every contributor shall, on or before the 10th day of this instant December, make a deposit of 10l. per centum on such sum as he or she shall chuse to subscribe towards raising the said sum of eighteen millions, with the chief cashier or cashiers of the Governor and Company of the Bank of England, as a security for making the future payments on or before the days or times hereinafter mentioned: that is to say,

10l. per centum on or before the 22d day of January 1796.

10l. per centum on or before the 18th day of March next.

10l. per centum on or before the 20th day of May next.

15l. per centum on or before 22d day of July next.

15l. per centum on or before the 9th day of September next.

15l. per centum on or before the 11th day of November next; and,

15l. per centum on or before the 16th day of December next.

That all the monies, to be received by the said cashier or cashiers of the Governor and Company of the Bank of England, shall be paid into the receipt of the Exchequer, to be applied, from time to time, to such services as shall then have been voted by this House, in this session of Parliament: That every contributor, who shall pay in the whole of his or her contribution money, towards the said sum of eighteen millions, at any time on or before the 10th day of November 1796, shall be allowed an interest, by way of discount, after the rate of 3l. per centum per annum, on the sum so advanced for completing his or her contribution respectively, to be computed from the day of completing the same to the 16th day of December 1796; and that every contributor, who shall pay in the whole of his or her contribution money as aforesaid, at any time subsequent to the 10th day of December 1795, and previous to the 30th day of December 1795, shall be allowed an interest, by way of discount, after the rate of 3l. 5s. per centum per annum on the sum so completing his or her contribution respectively, to be computed from the day of completing the same to the 16th day of December 1796.

That, towards raising the supply granted to His Majesty, the several rates and duties on vellum, parchment, or paper, upon which any receipt, or the discharge for any legacy left by any will or other testamentary instrument, or for any share or part of a personal estate divided by force of the statute of distributions, or the custom of any province or place, shall be ingrossed, written, or printed (and which said duties were granted by several acts of Parliament made in the 20th, 23d, and 29th years of the reign of His present Majesty) shall cease and determine.

That towards raising the supply granted to His Majesty, a duty be charged upon every legacy, and upon every share or residue of the per-

sonal estate of any person dying and leaving such estate of the clear value of 100l. or upwards, which shall pass either by devise, or by force of the statute of distributions, or the custom of any province or place, to any of the kindred of the deceased in the several degrees hereinafter mentioned, according to the rates following, that is to say: Where any legacy, or any share or residue of any such personal estate, shall pass to a brother or sister of the deceased, or to any the issue of a brother or sister of the deceased, there shall be charged a duty of 2l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity: Where any legacy, or any share or residue of any such personal estate, shall pass to a brother or sister of a parent of the deceased, or to any the issue of a brother or sister of a parent of the deceased, there shall be charged a duty of 3l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity: And where any legacy, or any share or residue of any such personal estate, shall pass to any the issue of a brother or sister of a grandfather or grandmother of the deceased, there shall be charged a duty of 4l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity.

That, towards raising the supply granted to His Majesty, a duty of 6l. be charged for every hundred pounds of the value of any legacy, or any share or residue of the personal estate of any person dying and leaving such estate of the clear value of one hundred pounds, or upwards, which shall pass either by devise, or by force of the statute of distributions, or the custom of any province or place, to any person in any more distant degree of collateral consanguinity to the deceased, than is before charged, or any stranger in blood to the deceased, and after that rate for any greater or less sum or quantity.

That, towards raising the supply granted to His Majesty, a duty be charged upon the clear value of any real estate that, upon the death of any person, shall descend, or pass by devise, or by force of any gift, grant, or conveyance, or by act or operation of law, to, or to the use of, or in trust for, any person or persons of the kindred of the deceased in the several degrees hereinafter mentioned (except purchasers for valuable consideration actually paid) in fee simple, fee tail, or for term of life or lives, according to the rates following, that is to say: Where any such estate shall pass to a brother or sister of the deceased, or to any the issue of a brother or sister of the deceased, there shall be charged a duty of 2l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity: Where any such estate shall pass to a brother or sister of a parent of the deceased or to any the issue of a brother or sister of a parent of the deceased, there shall be charged a duty of 3l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity: And where any such estate shall pass to any the issue of a brother or sister of a grandfather or grandmother of the deceased, there shall be charged a duty of 4l. for every hundred pounds of the value thereof, and after that rate for any greater or less sum or quantity.

That, towards raising the supply granted to His Majesty, a duty of 6l. be charged for every hundred pounds of the clear value of any real estate that, upon the death of any person, shall descend, or pass by devise, or by force of any gift, grant, or conveyance, or by act or operation of law, to, or to the use of, or in trust for, any person or persons in any more distant degree of collateral consanguinity to the deceased than is before

charged, or to any stranger in blood to the deceased (not being purchasers for valuable consideration actually paid) in fee simple, fee tail, or for term of life or lives, and after that rate for any greater sum or quantity.

That, towards raising the supply granted to His Majesty, upon every assessment made, or to be made, for the year ending the 5th day of April 1796, under, or by virtue of, any act or acts of Parliament now in force, for, or in respect of, the several rates and duties under the management of the Commissioners for the affairs of taxes, a farther additional duty shall be charged, after the rate of 10l. for every hundred pounds of the gross amount of all the said former duties charged by such assessment, to be computed for the half year ending the said 5th day of April 1796.

That, towards raising the supply granted to His Majesty, upon every assessment to be made after the 5th day of April 1796, under, or by virtue of, any act or acts of Parliament now in force, for, or in respect of, the several rates and duties under the management of the Commissioners for the affairs of taxes, a farther additional duty shall be charged, after the rate of 10l. for every hundred pounds of the gross amount of all the said former duties charged by such assessment.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of tobacco, of the growth, production, or manufacture, of the plantations or dominions of Spain or Portugal, imported into Great Britain on or after the 7th day of December 1795.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of the like tobacco imported into Great Britain before the 7th day of December 1795, and which shall not actually have been deposited, lodged, and secured, before the said 7th day of December 1795, in any warehouse, according to the directions of an act, made in the 29th year of His present Majesty's reign, or of another act, made in the 31st year of the said reign.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of the like tobacco, which, on the 7th day of December 1795, shall be in any warehouse, in which the same shall have been deposited, lodged, and secured, according to the directions of an act, made in the 29th year of His present Majesty's reign, or of another act, made in the 31st year of the said reign, and which shall be delivered out of such warehouse for home trade, consumption, or manufacture.

That, towards raising the supply granted to His present Majesty, an additional Excise duty of one penny be charged for every pound weight of the like tobacco, which, at any time from and after the 7th day of December 1795, shall be delivered for exportation out of the warehouse in which the same shall be deposited, lodged, and secured, according to the directions of the said acts, or either of them.

That, towards raising the supply granted to His Majesty, an additional Excise duty of four pence be charged for every pound weight of tobacco, of the growth or production of Ireland, or of the growth or production of His Majesty's colonies, plantations, or territories, in America, or of the United States of America, imported into Great Britain on or after the 7th day of December 1795.

That, towards raising the supply granted to His Majesty, an additional Excise duty of four pence be charged for every pound weight of the like tobacco, imported into Great Britain before the 7th day of December 1795,

and which shall not actually have been deposited, lodged, and secured, before the said 7th day of December 1795, in any warehouse, according to the directions of the said acts, or either of them.

That, towards raising the supply granted to His Majesty, an additional Excise duty of four pence be charged for every pound weight of the like tobacco, which, on the 7th day of December 1795, shall be in any warehouse in which the same shall have been deposited, lodged, and secured, according to the directions of the said acts, or either of them, and which shall be delivered out of such warehouse for home-trade consumption, or manufacture.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of snuff which shall be imported into Great Britain by the United Company of Merchants of England trading to the East Indies, on or after the 7th day of December 1795.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of the like snuff imported into Great Britain before the 7th day of December 1795, and which shall not actually have been deposited, lodged, and secured, before the said 7th day of December 1795, in any warehouse, according to the directions of the said acts, or either of them.

That, towards raising the supply granted to His Majesty, an additional Excise duty of one shilling be charged for every pound weight of the like snuff, which, on the 7th day of December 1795, shall be in any warehouse in which the same shall have been deposited, lodged, and secured, according to the directions of the said acts, or either of them, and which shall be delivered out of such warehouse.

That, towards raising the supply granted to His Majesty, an additional Excise duty of six pence be charged for every pound weight of snuff which shall be imported into Great Britain from any British plantation in America, or from the Spanish West Indies, on or after the 7th day of December 1795.

That, towards raising the supply granted to His Majesty, an additional Excise duty of six pence be charged for every pound weight of the like snuff imported into Great Britain before the 7th day of December 1795, and which shall not actually have been deposited, lodged, and secured, before the said 7th day of December 1795, in any warehouse, according to the directions of the said acts, or either of them.

That, towards raising the supply granted to His Majesty, an additional Excise duty of six pence be charged for every pound weight of the like snuff which, on the 7th day of December 1795, shall be in any warehouse in which the same shall have been deposited, lodged, and secured, according to the directions of the said acts, or either of them, and which shall be delivered out of such warehouse.

That, towards raising the supply granted to His Majesty, an additional Excise duty of seven pence be charged for every pound weight of snuff which shall be imported into Great Britain from any other place, on or after the 7th day of December 1795.

That, towards raising the supply granted to His Majesty, an additional Excise duty of seven pence be charged for every pound weight of the like snuff imported into Great Britain before the 7th day of December 1795, and which shall not actually have been deposited, lodged, and secured, before the said 7th day of December 1795, in any warehouse, according to the directions of the said acts, or either of them.

That, towards raising the supply granted to His Majesty, an additional Excise duty of seven pence be charged for every pound weight of the like snuff, which, on the 7th day of December 1795, shall be in any warehouse in which the same shall have been deposited, lodged, and secured, according to the directions of the said acts, or either of them, and which shall be delivered out of such warehouse.

That, towards raising the supply granted to His Majesty, every person who shall keep, and use, any horse, mare, or gelding, for the purpose of riding, or for the purpose of drawing any coach, berlin, landau, chariot, calash, chaise, or any other carriage, by whatsoever name such carriage is now, or hereafter may be, called or known (for or in respect whereof any rate or duty heretofore under the management of the Commissioners of Excise, and now transferred to and under the management of the Commissioners for the Affairs of Taxes, is payable) shall be charged with a farther additional annual duty of ten shillings for each such horse, mare, or gelding.

That, towards raising the supply granted to His Majesty, every person who shall keep two horses, mares, or geldings, and no more, for the purpose of riding, or for the purpose of drawing any coach, berlin, landau, chariot, calash, chaise, or any other carriage, by whatsoever name such carriages now are, or hereafter may be, called or known, shall be charged with a farther additional duty of five shillings for one of such horses, mares, or geldings.

That, towards raising the supply granted to His Majesty, every person who shall keep three, four, or five horses, mares, or geldings, and no more, for the purpose of riding, or for the purpose of drawing any coach, berlin, landau, chariot, calash, chaise, or any other carriage, by whatsoever name such carriage now are, or hereafter may be, called or known, shall be charged with a farther additional annual duty of seven shillings and six pence for each horse, mare, or gelding, exceeding the number of one.

That, towards raising the supply granted to His Majesty, every person who shall keep six or more horses, mares, or geldings, for the purpose of riding, or for the purpose of drawing any coach, berlin, landau, chariot, calash, chaise, or any other carriage, by whatsoever name such carriages now are, or hereafter may be, called or known, shall be charged with a farther additional annual duty of ten shillings for each horse, mare, or gelding, exceeding the number of one.

That, towards raising the supply granted to His Majesty, every person who shall keep any horse, mare, or gelding, not charged with any former rate or duty, or any colt or filley, or any mule, shall yield and pay annually a duty of two shillings for each such horse, mare, gelding, colt, filley, or mule.

That, towards raising the supply granted to His Majesty, the several duties on persons, exercising the trade and business of an horse dealer, and who shall take out a license to use and exercise the trade and business of an horse dealer, imposed by an act of the 24th year of the reign of His present Majesty, shall cease and determine.

That, towards raising the supply granted to His Majesty, every person exercising the trade or business of an horse dealer within the city of London, or the city or liberties of Westminster, the weekly bills of mortality, the parishes of Saint Mary le bone or Saint Pancras, in the county of Middlesex, or the Borough of Southwark, in the county of Surrey,

and who shall take out a licence to use and exercise the said trade and business of an horse dealer, shall yield and pay annually the sum of 20l.

That, towards raising the supply granted to His Majesty, every person exercising the trade and business of an horse dealer without the city of London, and city and liberties of Westminster, the weekly bills of mortality, the parishes of Saint Mary le bone and Saint Pancras, in the county of Middlesex, and the Borough of Southwark, in the county of Surrey, and who shall take out a licence to use and exercise the said trade and business of an horse dealer, shall yield and pay annually the sum of 10l.

That, towards raising the supply granted to His Majesty an additional Excise duty of one penny farthing be charged for every yard square of paper which shall be printed, painted or stained, in Great Britain, to serve for hangings or other uses (over and above the duties payable for such paper before the printing, painting, or staining thereof) and so in proportion for any greater or lesser quantity.

That, towards raising the supply granted to His Majesty, an additional Excise duty of five pence be charged for every yard in length, reckoning yard wide, of foreign callicoe and of foreign mullin, which shall be printed, stained, painted, or dyed, in Great Britain (except such as shall be dyed throughout of one colour only) and so in proportion for any greater or lesser quantity.

That, towards raising the supply granted to His Majesty, an additional Excise duty of two pence half-penny be charged for every yard in length, reckoning yard wide, of all linens, and of all stuffs made either of cotton or linen, mixed with other materials, fustians, velvets, velverets, dimities, and other figured stuffs, made of cotton and other materials, mixed, or wholly made of cotton wool wove in Great Britain, which shall be printed, stained, painted, or dyed, in Great Britain (except such as shall be dyed throughout of one colour only, and stuffs made of woollen, or whereof the greatest part in value shall be woollen) and so in proportion for any greater or lesser quantity.

That, towards raising the supply granted to His Majesty, an additional Excise duty of two pence half-penny be charged for every yard in length, reckoning yard wide, of stuffs wholly made of cotton wool, wove in Great Britain, commonly called British manufactory, and of British muslins, which shall be printed, stained, painted, or dyed, in Great Britain (except such as shall be dyed throughout of one colour only) and so in proportion for any greater or lesser quantity.

That, towards raising the supply granted to His Majesty, the allowance for waste on white and rock salt, carried coastwise, be discontinued.

That, towards raising the supply granted to His Majesty, the time allowed by law for the payment of the duties on salt be reduced as follows; that is to say, on white salt to three months, on rock salt to four months, and on foreign salt imported into Great Britain to two months, and the present rate of discount to be allowed accordingly.

That, towards raising the supply granted to His Majesty, four shillings, part of the drawback now allowed on the exportation of every hundred weight of sugar exported, in the same state in which it was imported, be no longer paid or allowed.

That, towards raising the supply granted to His Majesty, four shillings, part of the drawback now allowed on the exportation of any refined sugar called bastards, and ground or powdered sugar, and refined

loaf sugar broken in pieces, and all sugar called candy, be no longer paid or allowed.

That, towards raising the supply granted to His Majesty, seven shillings, part of the drawback now allowed on the exportation of every hundred weight of any other refined sugar, be no longer paid or allowed.

Ordered,

That a bill, or bills, be brought in upon the said resolutions; and that Mr. Chancellor Pitt, the Earl of Mornington, Mr. Hopkins, Mr. John Smyth, Mr. Attorney General, Mr. Solicitor General, Mr. Rose, Mr. Charles Long, and Mr. Hobart, do prepare, and bring in, the same.

Mr. CURWEN thought it his duty to call the attention of gentlemen to the duty imposed on working horses. The tax attached very unfairly; as it went to lay a heavy burden on small farms. For it was well known that the extensive farmer was not obliged to keep as many horses, in proportion, as the lesser farmer. Another circumstance made it very objectionable; namely, the imposing a duty on turf-carts. When before it was thought necessary to lay a duty on carts, the House thought proper to exempt all carts employed in the carriage of coals, turf, or peat. In the same way, he thought, the like exemption should take place now.

The SPEAKER wished to observe to the honourable gentleman, that it would be more within the forms and order of the House, if he suffered the resolutions to be read a second time; and then he might properly, after the previous resolutions should be disposed of, come to that.

Mr. CURWEN resumed. He did not mean to object to the other taxes; for, in general, he thought them the least objectionable ever submitted to the House; and therefore wished what he said to be taken as a general remark.

Mr. SHERIDAN said, that though it would be more proper to come in detail to the taxes, he wished merely to observe at large on one or two points. When the bills should be brought in on the several taxes, there would be ample scope for particular observation and discussion. With regard to the tax on horses, he thought it should not extend to the agricultural part of the country. When before a tax was laid on the carts, to which his honourable friend (Mr. Curwen) alluded, the law was repealed, because the House thought that part of the community ought to be held sacred. Beside, the tax on husbandry then was not so heavy as now; and the farmer was then more able to bear taxation. He thought the right honourable gentleman also wrong in his calculation of this tax; he doubted the amount produced by the tax on horses of pleasure, without allowing any diminution in consequence of the duty; for certainly gentlemen would be induced to keep fewer horses on account

committee on Lord Grenville's Bill, all the gentlemen who had uniformly opposed it, quitted the house immediately. The amendments were then gone through, and agreed to by the house, after which the Bill, with the amendments, was ordered to be engrossed and read a third time on Thursday next.

The motion was carried.—Adjourned at 10 o'clock.

HOUSE OF COMMONS.

MONDAY, December 7.

GRAND JUNCTION CANAL BILL.

Mr. *Powys* moved, that the third reading of this Bill be postponed, on account of the important business to come before the house that day; his motion was negatived without a division. The Bill was then read a third time, and several clauses added to it by way of riders.

PETITIONS FOR AND AGAINST THE TREASON AND SEDITIOUS BILLS.

Mr. *R. Vyner* presented a petition, signed by several respectable inhabitants of the town of Thirsk in Yorkshire, against the passing of the Bills into laws.—Ordered to lie on the table.

Sir Francis Basset presented a petition from several of the inhabitants of Redruth, in favour of the Bills.—Ordered to lie on the table.

Sir W. W. Wynne presented a petition from the town of Wrexham, in Denbighshire, disapproving of a petition already presented to the house in favour of the Bills. On the petition being read,

The Speaker observed, that there appeared nothing in the wording of it that entitled it to be regarded as a petition, for nothing was prayed for. *Sir W. W. Wynne* consequently withdrew it.

Mr. *Grey* presented a petition against the Bills, signed by 4000 of the inhabitants of Huddersfield, in Yorkshire.—Ordered to lie on the table.

A petition was presented from Lincolnshire against the Bills.

ACCOUNTS.

Mr. *Rose* moved for an account of the amount of the quantity of refined Sugar exported from Great Britain for the last

three years. Also for the nett produce on tobacco and snuff for the last three years. An account of the amount of the produce of the assessed taxes for the last three years. An account of the amount of duties on legacies for the last three years. And an account of the amount of the discount allowed on the prompt payment of the duties on salt for the last three years. All of which were presented by the proper officers, and ordered to be laid on the table.

HIS MAJESTY'S MESSAGE.

The Chancellor of the Exchequer delivered a Message from His Majesty to the following effect:

G. R.

His Majesty thinks proper to inform his faithful Commons, that a considerable sum is likely to arise from the sale of prizes taken from the United Provinces of Holland, and that he has ordered the amount to be ascertained, and the overplus, after the claims of the captors had been discharged, to be applied to the public service.

The Chancellor of the Exchequer said, as there could not be any objection to it, he should move the usual address of thanks to his Majesty for his most gracious message: he had, however, to observe with respect to the allowance to be made to captors, that it depended upon particular circumstances. Some of the vessels were taken in a manner which reflected as much merit upon the captors as if they were taken in a state of war; in that case the allowance to them would of course be liberal: there were however other cases in which the vessels were merely detained by order of government, and then of course the allowance would be proportionably small. He concluded with moving the Address.

Sir Francis Baring said, he by no means objected to the principle, but had some doubt with respect to the dismissing of certain individual claims, under a clause in the Dutch Property Bill. He did not know whether in the present case they could have recourse to a court of justice.

Sir William Scott in reply said, that the message operated to that point, as the money was not to be applied to the public service until certain legal claims could be discharged. Besides, the clause to which the honourable Baronet alluded would not prevent their seeking and obtaining redress in the Court of Admiralty, or the other courts of justice.

The

The Address was then agreed to *nem. con.* and his Majesty's message, on the motion of the Chancellor of the Exchequer, was referred to the Committee of Ways and Means.

SUPPLY.

Mr. Hobart brought up the Report of the Committee of Supply, that the sum of 624,752l. be granted to his Majesty to defray the additional expences of the Navy. And also that the sum of 708,400l. be granted to his Majesty, to defray the expences of building ships of war, &c. for the year 1796.

BUDGET

The House then went into a Committee of Ways and Means, Mr. Hobart in the Chair.

The Chancellor of the Exchequer rose, and said, he was perfectly aware of the difficulty of endeavouring, at so early a period of the session, to call the attention of the committee to a general view of the expences of the year, and of proposing to them the means of meeting those expences. A considerable part of those expences could now only be judged of by estimate, and must of course be taken upon confidence. At the same time, he trusted, that he should be able to give a general account sufficiently exact; and that the Committee would agree with him that it was materially important to the public service not to postpone this business to a later period. The committee would recollect that, at the commencement of the present session, his Majesty, in the speech from the throne, had held out to parliament, and the nation, the prospect of a negotiation for peace; and it was the opinion of parliament that the probability of a speedy termination of the war would be materially assisted by our shewing to the enemy that we were prepared for either alternative. Under that impression, and feeling that to be the sense of the house, he thought it better to come forward at once, and to open the general state of receipt and expenditure, by fairly stating what would be the total amount of the service for another year of war, together with the means of fairly meeting and defraying that expence, than to suffer it to pass on to a later period of the year; he did this with the more confidence, in the persuasion that the account would be a triumph of the finances of Great Britain, and would demonstrate, both to the enemy and to all Europe, that she was equal to the emergency, great and imminent as it was, in which she was engaged. When at the same time he looked out of this country, and observed the condition of the enemy; he found an additional inducement

ment for bringing forward this account. When he saw them struggling to maintain their expences by stratagem, and devising strange and wild expedients to supply their exhausted resources from month to month, or rather from week to week, he was desirous of shewing that Great Britain could confidently look forward, and provide the means of carrying on the war for years, if we should be forced to that extremity; and that, with the consolation of being able to do this without imposing burthens on the people, that would either fall severely on the lower ranks, or be any material injury to trade. From these considerations he was induced to bring forward the business of the day at that early period of the session, and he should not think it necessary to make any other prefatory introduction, but proceed to consider the subject under those heads into which it resolved itself as briefly and as distinctly as possible.

It would be his duty to state under the various heads of service, the articles of supply which had been already voted. And first,

The Navy; the number of seamen for the present year was 110,000 men, being 10,000 more than the preceding year; and the sum already voted for this head of service was 5,720,000l. Gentlemen would see with pride and pleasure, that in this department of the national service such exertions had been made as had carried the navy to a height unparalleled in the service. There were still two further sums to be voted, namely, 624,000l. and 708,000l. for building ships and repairs, making the whole of the navy for the year - - - 7,072,000 being an excess over the sum of the year preceding of 757,000l. This excess, however, he was persuaded, gentlemen would view with complacency, since it had given so decided a superiority to our fleet.

The next head of service was the Army, for which there had already been voted the sum of - 6,104,000 which was less than the expence of the army for the last year by 844,000l. a consideration which he was sure would be highly agreeable to the Committee, as it would shew that the excess was on that head of service, which was always the favourite service of Englishmen,

and

and that a great reduction had been made under the head of the army.

There were still, however, several other sums to be voted under this head of service, viz.

For the expence of several French corps, which it was thought might be beneficially employed in our West India Islands, the sum of - 300,000

The Sardinian Subsidy - - - - - 200,000

The Extraordinaries of the Army, as far as they had been able to be made up, and as the sums had been paid, were - - - - - 2,646,000

But this was certainly not all that would come under this head, and it would be impossible for him precisely to state what further might be required; he would estimate the sum however at - - - - - 350,000

The next head of service was the Ordnance, which was - - - - - 1,744,000

a sum less than the expence of last year by 577,000l.

Miscellaneous services - - - - - 360,000

Gentlemen would observe that this was more than the last year by 100,000l.

and which arose from the increase in the article of secret service money. In time of peace the sum for this service was 28,000l. This year it had advanced to 151,000l.

The next article that he should state, would be the necessary sum for replacing Exchequer Bills. The amount of the Exchequer Bills was 6,000,000

Though it stood, however, at this sum on the supply side of the account, yet as it was his intention, as an article of ways and means, to move for a vote of credit for 3,500,000l. there would in reality be no more than 2,500,000l. to be provided for in the supply of the year.

The next sum was what he was sure gentlemen would think it right for him to continue; he meant the provision for the reduction of the National Debt. It was a matter of consolation to gentlemen to know that the measure for the reduction of our debt was persevered in with unceasing steadiness, and that the benefits of it were daily felt in the efficacy of the fund set

apart

apart for that purpose. The sum on this head was 200,000

Gentlemen would recollect that when he made the loan of 18,000,000l. last year, he stated the reasonable expectation which he had of receiving from the India Company 500,000l. But lest that sum should not be paid, he had provided taxes for nineteen millions instead of eighteen. In looking, however, at the deficiencies of the grants, he should lay out of the consideration for the present this circumstance, and should take it on the same ground as last year. Under all the various heads, the deficiencies of grants he stated at 1,750,000l. The sum allowed for the prompt payment on the loan of last year was 344,000l. and the interest upon Exchequer Bills he stated at 240,000l. making together the sum of 2,357,000l. But from this was to be deducted the sum of 28,000l. which the land and malt produced above the sum taken in the deficiencies of last year. The whole of the deficiencies therefore he would state at 2,333,000

The whole of the Supply therefore for the year, as he had stated under the particular heads, would be 27,662,000

RECAPITULATION.

Navy—110,000 Seamen	£. 5,720,000	
Ordnance	£. 624,152 1 8	
Extraordinaries	708,400 0 0	
	<u>1,332,552 1 8</u>	£. s. d.
		7,072,552 1 8
Army—Guards, Garrisons, &c.	} 6,194,452 14 5	
Chelsea, &c. &c.		
Extraordinaries	-	2,646,990 19 10
Foreign Corps	-	300,000
Sardinian Subsidy	-	200,000
Further Extraordinaries computed at	} 350,000	
Ordnance	-	1,744,471 8 1
		Miscellaneous

Miscellaneous services	} -	360,616 8 5
Plantation Estimates, &c. &c.		
Vote of Credit	-	2,500,000 0 0
Exchequer	-	3,500,000 0 0
Annual Addition to Sinking Fund	-	200,000 0 0
Deficiencies of Grants	-	2,333,000 0 0
Ditto Land and Malt	-	350,000 0 0
		<u>£. 27,662,083 12 6</u>

WAYS AND MEANS.

He had now, he said, to state the Ways and Means by which he was to meet this Supply. £.

The first article was that which was always taken at the same sum, Land and Malt, 2,750,000
Exchequer Bills, 3,500,000

Of the permanent taxes, the produce he must say had been very good. The accounts had been laid upon the table, and gentlemen would see, that independent of the new taxes, the produce for the last year had been 13,598,000l. On the average of three years the produce was 13,933,271l. and this would be the fair amount at which they ought to be taken. The permanent charge upon the consolidated fund was 11,532,000l.

The sum to be expected from the imprest now in the hands of accountants, but upon which they might rationally calculate would be 200,000l.

The sum to be expected from Dutch prizes, on which his Majesty had been pleased to signify his royal pleasure, gentlemen would see, might be brought into the account with strict regard both to justice and liberality; the captures were made in a great degree before the two countries were in a state of hostility, by the order of ministers, without risque or hazard to the captors, and without that sort of labour and exertion which was the foundation of prize. Others, however, had certainly been made with great personal hazard, and with great exertion. His Majesty would in all the variety of cases, make just and liberal allowance to the satisfaction of the service; but with all this a considerable sum would accrue VOL. II. 1795. applicable

applicable to the public service. He would take it at 1,000,000l. All these, therefore, he should take at, - - - 3,595,000
 Add to this the Loan of - - - 18,000,000
 Which would make the sum of - - - 27,845,000

RECAPITULATION.

Land Tax	- - -	£. 2,000,000
Malt	- - -	750,000
Growing Produce of Consolidated Fund on 5th Jan. 1796, computed at	} 2,395,000	
Money arising from sale of Dutch Prizes	} 1,000,000	
Imports	- - -	200,000
Deduct from half year's Interest on new Stock	} 3,595,000	
	- - -	360,000
		3,235,000
Exchequer Bills	- - -	3,500,000
Loan	- - -	18,000,000
		£. 27,485,000

He might state that he had in reserve taxes for 1,000,000l. which had been laid on last year above the sum which he had borrowed; he would leave that, however, to meet any future expences that were unforeseen, or to make up for any deficiency that there might be in the taxes generally. It was his duty then to state what further sums there would be to be provided for in the course of the present session.

Navy Debt

The Navy Debt had largely increased. That was, however, a circumstance that was less to be regretted than any other branch of the public service, since the great exertions which had been made, had raised our navy to so proud a height. The debt had increased also on account of circumstances which were not likely to arise again, or at least not in the same degree. The transport service had been a heavy article of charge. The debt had increased to 5,000,000l. It was 3,500,000l. on the 31st December, 1794, so that the increase of Navy Debt was 1,500,000l. This was to be ascribed to the useful measure which had been adopted of the

the purchase of India ships, and to the employment of a great number of transports. He had perfect confidence that this service would be diminished in the ensuing year, and that they might hope for a saving in this branch of at least two millions and a half. On the Army Extraordinaries he had also confidence that a considerable saving might be made; and that they would not exceed the sum of two millions and a half. He estimated therefore the sum which they would have to incur on these two heads in the course of this year beyond the estimates, at 4,000,000l.

Navy

Army

Another important sum which they would have to look for in the course of this year, would be the bounties on the corn to be imported into this country. On that head he could not pretend to speak with any certainty: he wished it were possible to extend it to the widest sum, that gentlemen in their hopes for assistance from abroad might be disposed to look to. He owned, for his own part, that his expectations were not sanguine. It was a head of service to the amount of which he looked with hope rather than fear; and he should be extremely happy to find that he had a great sum to provide for upon that account. He did not think it probable, however, that any gentleman would disagree with him in thinking that the sum of 1,000,000l. was not as large and as wide a sum for bounties as was likely to be called for. These sums taken together, therefore, would make 5,000,000l. for which they would have to provide. On the other hand there was a fund to which they might look with confidence, if gentlemen were disposed to refer to it in aid of the public service. It had been a subject of great discussion in that House, and upon which there certainly was great contrariety of opinion. Upon an average of three years it had produced 300,000l. to the nation. The provision which the liberality of the public had made for the American Loyalists, and charge upon this fund, was almost made good: 250,000l. only would be due after this year; and therefore, as gentlemen thought that the produce of the Lottery was not more than counter-balanced by the pernicious effects which it had upon the community, they might undoubtedly look to it as to a fund applicable to the public exigency. Gentlemen would see that the permanent taxes, and the growing produce of the consolidated fund, were more than equal to the existing charge upon it: and he had the pleasure to find that, as far as could be yet ascertained, the produce of the taxes of last year bid fair to come up to the sums at which they were taken; they had already produced two-thirds of the whole. He had now, therefore, only to find taxes for the eighteen millions, which was the amount of the Loan, and for which he had contracted. He would

shortly state the terms, and would hereafter come to explain to the Committee the reasons upon which he had acted in the bargain that he had made. The interest on every hundred pounds which he had borrowed was 4l. 13s. 6d. to which was to be added the one per cent. wisely provided for by Parliament in aid of the fund for discharging the national debt, that its operation might keep pace with every increase of the capital. This made the total interest on every hundred pounds 6l. 3s. 6d. which interest on a loan of 18,000,000l. amounted to the annual sum of 1,111,500l. and for this sum he had to propose to the Committee taxes as a provision.

TAXES.

In doing this he should begin by enumerating shortly the several articles upon which he proposed to submit new duties, or increased duties, and which he thought were fair objects of taxation. The two first were material articles, to which he believed there would be no objection, since they attached to property, and would be felt only by the higher and richer orders of the community; and it was with peculiar propriety, that in a war which had for its basis the security of property, those persons who were happily possessed of wealth, should peculiarly contribute to its support.

The first tax which he had to propose, therefore, was, upon that species of legacy, which, without taking in the lineal heirs, extended to collateral branches and to strangers.

The second was an additional duty of ten per cent. on the assessed taxes.

The third was a tax upon horses. The Committee knew that there was at this time a duty upon horses kept for pleasure only, with an exception in favour of those which were employed in industry. It was his intention to double the duty upon all horses kept for pleasure, following the same advances in proportion to the number as were now observed; and upon all horses employed in trade and agriculture, he proposed to lay a very small and trifling duty.

The fourth was an article of very general and very large consumption, which by their late regulations had been freed from fraud, and which he was persuaded would bear a small additional tax without inconvenience, he meant tobacco.

The fifth was also an article of general use, upon which there was at present a duty, but which he was persuaded would bear an increase; he meant printed cottons and calicoes.

The sixth was a very small matter of regulation, and not a duty, upon salt; and

The last would be a reduction of the bounty on the export of refined sugar, which, he was confident, might be done without any diminution of the trade.

He

He had thus hurried over the several articles upon which he proposed to submit to the Committee additional taxes; and that he might satisfy the impatience of gentlemen, he had avoided going into a detail upon them as he passed. It would be, however, his duty to enter more particularly into each.

LEGACIES.

It would be obviously extremely difficult to form any other than a wide conjecture on the probable amount of a tax of this description. He said, he had been disposed to recur to it upon mature reflection. It had been a tax which in the only country of Europe that in its prosperity bore any resemblance to England, had existed without hardship or complaint; he meant in Holland. It had been found by no means oppressive or inconvenient; nor had it in any degree taken from industry its stimulus in the acquisition of wealth. The principle of the tax was also recognized in England, where a duty upon certain kinds of legacies had existed for several years. That duty was at first one per cent. on all legacies beyond a certain sum; it was afterwards extended to two per cent. and afterwards again extended by another act. The principle, therefore, was not new, and it was his intention to propose to enforce it, and to make it on all legacies with an exception only of those to widows, and to the lineal descent. He proposed to lay

A tax of two per cent. on all legacies above a certain extent to persons in the first collateral degree of relationship, and also to extend to residuary legatees.

3 per cent. on the next degree of relationship.

4 per cent. on legacies to more distant degree of relations; and

6 per cent. on all legacies to the still more distant branches of a family, and to strangers.

Again he must say, that in a war for the protection of property it was just and equitable that property should bear the burthen, and as it was in the nature of things that landed property was the most permanent, it was first fit that it should contribute accordingly. It was not, however, to be confined to any species of property, it was to include both landed and personal; it was not to have any operation on the actual possessors; nor would it affect the first degrees of consanguinity. In every case the widow, and the direct descent would be excepted; and the operation of the tax would be as follows:

2 per cent. on the first collateral branch;

3 per

- 3 per cent. on first cousins;
- 4 per cent. on second cousins; and
- 6 per cent. on more remote relations, and on strangers.

This tax would be on the capital bequeathed. It was difficult to say by what criterion they could judge of the probable income of such a tax. By the probates of wills it was found, that about 3 per cent. was the medium sum to be expected from such a tax; but it was not easy to calculate what would be the amount of its operation. It would be very difficult to distinguish between the quantity of property that went in the lineal descent and that which went to collateral branches. Nor would it be easy to ascertain what was the general amount of property. In the beginning of the present century, chiefly in the reign of Queen Anne, many enquiries had been made about the extent of landed and personal property in England. The estimates had widely differed, and it had not been possible to ascertain the fact exactly. The lowest calculation that had been made, however, was, that the annual rental of Great Britain was twenty-five millions. This was certainly greatly within the mark. But, taking it at this rate, and estimating this rental at 28 years' purchase,

The value of the landed property of the kingdom was	£700,000,000
Personal property was estimated at	600,000,000

So that the whole property of Gt. Britain was £1,300,000,000

To form some conjecture of the amount of the transfer of property by testament, the records of the ecclesiastical Courts of Canterbury and York had been searched; and it had been found, that about one third of the whole of the testaments that were made went to collateral branches. Of landed property the proportion was less---it was about one fifth; and therefore it might be adviseable, in a conjectural calculation like this, to take the medium, which was one fourth, upon which to form the probable estimate. On the transfer by will, therefore, of 325,000l. divided again by 33, which, in calculations of this kind was thought a fair standard, the result would be, that this tax should produce 294,000l. a year. From this, however, he must deduct the present tax upon legacies, which amounted to 44,000l. a year. He should therefore take the new tax at 250,000l.

ASSESSED TAXES.

It would not be necessary for him to enter into detail upon this

this head. The amount of the assessed taxes was well ascertained, and it was only necessary to state that he meant to exempt horses from this additional assessment, as they were to make a separate tax. He estimated the new tax of 10 per cent. on the assessed taxes, including, he said, the commutation tax, at 140,000l.

HORSES.

The duty on horses kept for pleasure, as gentlemen well knew, was at present ten shillings on one horse, and that it gradually rose till it came to be double, on persons keeping six horses. It was his intention to double the tax on all the gradations, so that it would hereafter be, 1l. on a person who kept one horse, and 12l. on those who had six. He had reason to believe that the smallness of this tax would not have such an operation as to diminish the number of horses kept for pleasure, he should, however, take it at a very moderate sum; he should estimate the produce at no more than 116,000l.

He also intended to lay a small tax upon that description of horses which had been before excepted; he meant on horses which were kept for industry only. This would fall on various classes of people, but he flattered himself that it would not be considered as any very heavy burden upon industry, and that no farmer would feel its weight, or be tempted to keep fewer horses upon account of it. The tax which he proposed was no more than 2s. per horse, and it was not to encrease whatever might be the number kept by one individual. That Tax, therefore, was not more than one tenth of the lowest tax per horse on the smallest number kept for pleasure. A farmer, therefore, having four horses, would have only eight shillings to pay, a sum which he was persuaded would not be felt to be severe or unreasonable, the high price of provisions considered; he would not therefore hesitate to submit it to the committee as one of the fairest taxes ever proposed, and by no means a cause for discontent to those who were to pay it, when they reflected on the burthens borne by the other classes of the community. The produce of this tax was necessarily doubtful, as they had no means of ascertaining the number kept. It was supposed, however, that there were at least one million of such horses in the kingdom, and he should therefore take the tax at 100,000l.

TOBACCO.

The committee were aware that the regulations which had been made upon that article sometime ago, had happily put an end to all the frauds which had been suffered, and a great and

and most productive revenue had accrued. The consumption had at the same time encreased, and he had every reason to believe that tobacco, which was clearly an article of luxury would bear an additional tax of 4d. per pound, without any apprehension of lessening the consumption, or of giving rise to new frauds. This tax would produce 170,000l.

PRINTED CALICOES.

This was also an article so flourishing, and in such universal consumption, that he was persuaded no injury would be done to the trade, by laying a small additional duty. Printed goods at present bore a tax of three-pence half-penny per yard; it was his intention to lay an additional two-pence half-penny, making the whole tax sixpence per yard. He estimated this tax at 135,000l.

SALT.

Upon this he did not mean to lay any additional duty; it was simply a matter of regulation. A discount of 10 per cent. upon prompt payment, was at present allowed and too long time was given for the payment of the duty. There was also an allowance for waste on its being carried coast ways, whereas upon experience it was found to gain. The proposed regulations would produce 32,000l.

SUGAR.

This was also to be considered rather as a regulation than a tax. There was a bounty upon the exportation of refined sugars, which was not necessary to be continued to the present amount, for the encouragement of the trade. It operated as an injury in so far as it tended to encrease the price of the article for home consumption. Gentlemen would be astonished to hear that the amount of the drawback paid for the exportation of refined sugar last year, amounted to between 7 and 800,000l. though the whole duty on the import had been only 1,200,000l. He proposed to reduce one fourth of the present drawback, which would be a saving to the revenue of 180,000l.

These were the taxes which he meant to propose to the committee, and which he had no doubt would be found to be productive, and to be fully equal to the annuity wanted. For the sake of perspicuity, he begged leave to recapitulate them—

CAPITULATION.

RECAPITULATION.

Collateral Succession of Landed and Personal Property	} £. 254,000
Increase of Assessed Taxes	- 140,000
Horses for Pleasure	- 116,000
Ditto for Industry	- 100,000
Tobacco	- 170,000
Printed Cotton	- 135,000
Reduction of Discount and Waste on Salt	- 32,000
Diminution of the Drawback on Sugar	- 180,000
Total	£. 1,127,000

LOAN.

The whole amount of the sum for which he estimated the new taxes would be one million one hundred and twenty thousand pounds; and the sum for the payment of the interest of the sum borrowed was only one million one hundred and fifteen thousand pounds, which would have been all that might have been necessary for him to trouble the committee with upon the present occasion, perhaps, if nothing had been said against the terms on which he had bargained for the loan. A particular reference had however been made to the committee upon that business, by referring to it a petition which stated certain circumstances upon that subject. He should therefore call the attention of the committee to the manner in which he had concluded the bargain upon the loan, the interest for which made the occasion for the present additional burthens upon the public. He had already stated the amount of that interest, which was but little better than four and a half per cent.; it being nothing more than 4l. 13s. 6d. per cent. to which being added a provision for the reduction of the capital in the proportion of one per cent. on the sum borrowed, would then make the whole sum amount to about six per cent. The committee would recollect the situation of the country. We were in the fourth year of a war, which was represented by some to be the most disastrous, and allowed by all to be most odious, in which this country had ever been engaged. At the period of the fourth year of such a war, the public had a loan of eighteen millions of money, upon terms but a little more than four and an half per cent. He stated this for the purpose of shewing the state of our public credit, and the opinion which monied men entertained of our resources; it

was certainly *prima facie* evidence of our prosperity. He had discharged his duty in stating this to the house. He had discharged it also, he hoped, in obtaining, under the circumstances, the best terms that could be obtained; terms, as favourable, as he thought, ought to be obtained with due regard to the real interests of the public. He knew that a petition which had been referred to that committee, stated that he had departed from the mode which had usually been adopted; a mode, which of all others, when practicable, he should be most ready to adopt, and which he had himself declared to be preferable to any other; he meant that of making the bidding an open competition. He would state to the committee under what circumstances it was that he had entered into the present bargain. It was his wish that the present, like former loans, should have been conducted in the way of competition. He had some time ago heard it suggested, that the gentlemen concerned in the last loan had a right to a preference in any loan to be made, until all the dividends of the former loan were paid off. It was not until lately that the pretensions of the contractors for the last loan were notified in a formal and regular manner to him. These pretensions were rested on two grounds: one was, that there never had been an instance where a new loan was contracted for, until all the payments on the preceding loan had been discharged; and that great inconvenience would arise from such a loan being at market before the dividends on the scrip were completely paid up: the other pretension was, that when, in negotiating the last loan, they proposed to pay the last dividend on the 1st of February, 1796, he had objected to that, as it might be probable a new loan might be wanting before the last scrip was paid. On this objection of his, they had built the principles that he would not (in consideration of their paying the last dividend earlier) negotiate any other loan before the former was all paid off. He said, he had consulted with the Governor of the Bank, from whom he found that the facts stated by the contractors for the last loan were accurate; and he felt the reasoning so forcibly, that he could not, consistently with a due regard to the public faith, which was pledged, and consistent with what he owed to himself, without their consent, and against their representation, contract for a new loan; the more he had reflected on the matter since, the more he was convinced he would not be justified in doing so. Under these considerations, he felt himself bound either to wait until the time of the last payment should expire, or so to act with regard to the former contractors, that

that they might not find themselves aggrieved. The delay he thought would be highly prejudicial to adopt, as much depended upon the immediate discussion in that house of the means for carrying on the war, on which all hopes of the establishment of an honourable peace depended. Taking the alternative, however, not to forego a general and fair competition, and that the loan should not be contracted for, but upon terms just, reasonable, and wise, the gentlemen who contracted for the last loan were willing to do either of two things: first to enter into a competition of offers, on condition that they should have an option reserved to them to take the loan at an half *per cent.*, more advantageous to the public than the lowest terms offered by any other contractor; and, by the bye, one half *per cent.* on the loan amounted to a sum of 90,000*l.* Were then was the hardship that gentlemen should be reduced to the necessity of offering such terms, as would not leave it worth the while of any other contractor to take the loan at 90,000*l.* less than their terms? He was aware, however, that any such check might create a considerable degree of disinclination to bid; he was determined nevertheless to take a precaution which would prevent his being at the mercy of any set of bidders, and save the public from disadvantage, before he would consent to this qualified competition. Mr. Boyd was contented to take the loan on such terms as he (the Chancellor of the Exchequer) should award on the event of Mr. Morgan's refusal to offer governing the terms by the market price of stock; that is to say, that he should himself fix the terms. He made proposals in the presence of the Governor of the Bank, and on Mr. Morgan's refusal, he had fixed them as advantageously for the country as could be established, with a view to policy and to public credit. Nay, the terms were as good as, in his opinion, could be produced by any competition. He had thought it fair to state to the contractors, that an unfounded navy debt of five millions was likely to ensue in the next year, which parliament would, if necessary, pay off; at the same time reserving a free option and discretion, if such a measure should be determined on by parliament, of giving the aid of the credit of this country to enable the Emperor to raise a sum for carrying on the war. He was sure that he would have to encounter a considerable degree of reluctance on the part of gentlemen opposite to him, to any further guarantee of an Imperial loan, from the consideration that the Austrians had shewn great inactivity in the early parts of the campaign; but when he remembered the glorious operations and suc-

cesses of the last six weeks on the Rhine, which could not have taken place but for the pecuniary aid which this country had lent the Emperor, he was convinced that house and the country would feel a joy and a pride, such as he sincerely felt, that the resources of Great Britain had furnished the sinews of a continental war, and would be induced to a similar measure in the next year to accelerate a peace, consistent with the safety of Europe, and such as the justice of our cause, and the situation of the enemy, would entitle us to expect. It would hereafter be a point for that house to determine, how far it might be the policy of the country to enable the Emperor to continue the pressure on the common enemy, thereby to facilitate the terms of peace, and thereby to accelerate the return of that desirable object. How far it might be advisable for us to renew our assistance in that respect, was a question not then to be agitated. He had not however thought it proper to pass the subject over in silence, but to say, that he had not agreed to the present loan upon terms that would preclude parliament, if under all the circumstances, it should be desired by the Emperor, and it should be deemed advisable to guarantee the payment of a loan to him. He had thought proper to state this to Mr. Boyd, and to say expressly that it should be optional to grant such loans, not exceeding three millions sterling, which, added to the five millions Navy Debt, made the possibility of eight millions more to be raised in the course of the ensuing year. Under all these circumstances, the terms which Mr. Boyd accepted of were,

120 in the 3 per Cent. Consols.

25 in the 3 per Cent. Reduced.

And 6s. 6d. in the Long Annuities.

The whole amount, for 100l.—104l. 5s. 3d.

In the last loan the discount was 2l. 5s. in this loan it would be 5s. more, arising from the difference between the payment of the first dividend on the 3d and 30th of this month; this made it amount above the 100l. to 6l. 15s. The loan of last year underwent repeated criticism; it was criticised as being connected with the imperial loan; it was criticised with respect to the price of stocks; but there was no difference of opinion with regard to the amount of the terms; they were allowed to be as good as could be wished; and one honourable gentleman had said, he would not wish they were better, with a view to the permanent interests and credit of the country; the terms of the loan this year were above $\frac{1}{4}$ per cent. more favourable than the last; and if he had

had arbitrated and named terms to the present contractor lower than gentlemen wished last year, he felt that he went by a more secure rule than his own opinion. When he had to recollect that he was proposing a loan, greater almost by one half than had taken place during the American war, and that the terms of every loan after 1779, during that war, was got at from 5 to 6 per cent. interest, he felt great satisfaction that he was able to dictate the terms of the present loan at little more than 4 and a half per cent. He had a considerable share of satisfaction also in thinking, that it would not suffer in competition with loans in time of peace. In the year 1783, the year after the last peace was made, the loan which was borrowed for winding up the expences of the preceding war, was got on terms, which, when compared with the present, there was only a fractional difference, and that fraction in favour of the present loan. He further felt a degree of pleasure in comparing these terms with the terms of last year's loan. The rate of interest last year, if allowance was made for the bonus of 4s. in the long annuity arising from the Austrian loan, would have amounted to 4l. 19s. which was more than $\frac{1}{4}$ per cent. more than the terms of the present year. If the relative price of stock was taken into consideration, it would be found that the present loan was, indeed, highly satisfactory. The loan of last year, so much inferior to the present, had received the recent sanction of parliament. He would then put it to the House, whether he ought not, under the circumstances which he had before stated to have exercised a private discretion, when that discretion was productive of such good consequences? He would also put it to their candour, whether he was still to pursue the plan of an open competition, under the risk of breaking in upon a principle of public faith, which was so materially connected with the permanent credit of the country; or whether he was to delay a measure, which, by being taken thus early, must give confidence to this country, and strike terror into the enemy, rather than comply with equitable and reasonable demands? He was aware that he had exposed himself to the misrepresentations of individuals, from which he could, however, find a resource and consolation in his own intentions; and there was another resource he had to protect him from misrepresentation and calumny; this resource he stated with confidence; it was in the candour, the fairness, and the public spirit of that House. Should we, he would ask, delay to strike terror into an enemy, already tottering on the very verge; or rather fallen into the midst of the gulph of national bankruptcy,

bankruptcy, and not exert our ordinary and gradual resources? Whatever he might think of the present petition against the terms of the loan, as far as it concerned himself, yet, in a public view, it was in itself a considerable source of satisfaction. They saw and heard an individual complaining that he had been ill treated, and, as it were, defrauded, by the Chancellor of the Exchequer's, acceding to a proposition which debarred them from running a race with competitors in making better terms for the public, than those which were in themselves so reasonable and moderate, that they were near $1\frac{1}{2}$ per cent. less expensive than the terms of loans in the last war: this was matter of triumph to a country, that was contending for its liberty, in a war by some declared to be the most disastrous that this country ever felt; by others just and necessary, and unavoidable; by all allowed to be arduous. Such a triumph to the country would not have happened, if the credit and resources of this country had not, in spite of the declamations of opposition, given vigour to the war, until a peace could be established on a solid and permanent foundation; and had not swelled the burdens of the people in proportion as it spread their credit, and, established their security. When it was considered also, that care was taken in every new debt, that our providence for the future should keep pace with the extent of our present exertions; if from that we took a view of the present revenues of the country, in the midst of all the embarrassments springing from a war, protracted to the termination of the third year, and that the deficiencies were only such as might arise by natural fluctuation in the moment of undisturbed prosperity; when it was considered also that in 1789 the loan for the Spanish armament was not obtained on terms so good as the present; when it was further considered, that in the years 1793, 1794, 1795, great sums had been voted; and that, in the conduct of the present war, ministers had been anxious to bring forward all parts of the subject, and not, as had been the practice in former wars, kept back the debts, to have enormous sums to provide for in time of peace; when all these things, the Chancellor of the Exchequer said, were considered, he felt his heart dilate with pride and satisfaction. When he considered also, that the new taxes had kept pace with the sums at which they were estimated; that in the year 1789, and from that year to the present day, the taxes, instead of eating out the yearly sinking fund, had been found fully adequate to the purposes for which they had been originally intended; that in the year 1789 they amounted to 20,000l.

20,000l. more than the estimate; that in the year 1793 there were only 26,000l. deficiency; that in 1794 they had exceeded by 54,000l. the whole sum calculated; that in the year 1795, where there was 1,600,000l. annual interest to be provided for, though only two quarters of that year were received into the Exchequer, yet more than two-thirds of that sum had been already actually collected: these were circumstances which incontestibly proved the rising credit of the country; these were the circumstances which had enabled us to stand the arduous contest; these were the circumstances which had created a confidence in the monied men of the country, and enabled us to convince the enemy of the necessity of terminating the war on such conditions as might be found consistent with the justice of our cause, the vigour of our efforts, the relative situation of the enemy, the general happiness of Europe, and the security, honour, and advantage of this country. The Chancellor of the Exchequer moved his first resolution.

Mr. *William Smith* said, he was perfectly conscious how much disadvantage he had to contend under in meeting the plain statement of the right honourable gentleman, as well as on account of the importance of the subject, and was aware also that he sunk below him so far in ability as hardly to expect that patient attention, even to which, in his own opinion, the nature of his argument entitled him. He thought it necessary to press this consideration more strongly upon the House because it did not augur well when so many gentlemen were leaving the House, and shewed themselves to be so indifferent about their duty and the pecuniary interests of their constituents, as not to stay and satisfy their curiosity by hearing whether the loan was or was not made upon the fairest terms. The reason why he rose that day at all was merely because he had been applied to to present the petition which lay upon the table, from some contractors, and not with any personal object in view, nor directed by any personal motives. He had many things to observe in his consideration of the speech which the right honourable gentleman had delivered in so much order, and with so much eloquence, that tended to strengthen the petition and the arguments upon it. Nothing was more clear than, that if the monied interest in this kingdom be such as the right honourable gentleman stated, so very abundant, it became the strongest and most cogent reason why bidders should be invited to a competition. Indeed no kind of argument had been urged to the contrary. Two questions then arose from the fact, as it stood in the consideration

consideration of the House: first, whether the conduct of the right honourable gentleman, in the bargain for the loan, was the fairest in every point of view, that circumstances would allow? And secondly, if it were not wholly so made out, whether it would be wise and prudent in the House to sanction the loan that he had contracted? In these two questions, Mr. Smith found he had reduced his task to a shorter compass than, upon a general survey of it, he could have supposed himself able to do, but in this contraction he was assisted by other operations. Some things were laid out of his view altogether, which, upon his entrance, into the House, he had imagined must have been comprehended in it; one of which was the competence of the documents laid down in the petition, whose veracity he pre-supposed might, in some degree, have been contradicted; but of which he had not heard the right honourable gentleman express the smallest doubt: and another was the impropriety of a competition at all times, which he had also pre-supposed might have been urged, and was glad to find it given up. According to what he had understood of the statement of the right honourable gentleman, the original intention was to have made it an open loan. The point to be discussed, therefore, was, whether there were sufficient grounds for the existing contract, and whether the terms of that contract were such as the House ought to sanction? He might have forgotten some other relative arguments, but he believed these to be the points on which the discussion depended.

With respect to the first question, he must say, and he was instructed to say so by the petitioners, who consequently were accountable if the statements were untrue, that, on the night preceding the 26th of November, on which day the contract with Mr. Boyd was signed, that gentleman's memorial had not been presented. It appeared, therefore, if every thing had been liberally and fairly meant on all sides, not that he thereby insinuated any criminal intention to the right honourable gentleman, but, if the whole of the proceedings had been liberal and fair, the night before the signing of the contract would not have been the time for the first plea of the memorial, when notice had been given of an open competition ten days before; since it was upon the 16th of September, that the Governor of the Bank had informed Mr. Morgan of it. To this statement it was remarkable, there had not yet been any opposition made, or any exception taken, and he held a circular letter in his hand, written by an honourable Secretary to the

the contractors, wherein a general invitation was given without any mention of preference whatever.

The grounds for preference in Mr. Boyd's memorial were, that Mr. Boyd had a lease of the monied interest for one year, or at least to the last payment of the loan for 1795, which payment was computed to amount to 5,000,000*l.* and might be greatly injured by the intervention of a second contract. An assertion which he was prepared, in some measure, to deny; although the five millions were not paid up, he was credibly informed, and his informers were ready to prove it, that, instead of 5,000,000*l.* remaining in the market, there were only 477,000*l.* That was to say, in the language of the Alley, there was a sum of five millions, which had not been written upon the bank books, although it was as well known that four millions had been disposed of in the market, as if they had been written on the books. The memorial therefore was true in point of fact, though not in point of inference.

Mr. Smith said he would put it to every man, possessing any share of common sense, whether there was not nearly as much money lost by the present negotiation on one part, as the 477,000*l.* if it could have been wholly lost, would have been upon the other. Therefore the minister might have said to the contractors, "keep your money, let the loan be open, and we will run the risk of your losses by paying the deficit." If any preference were due, it was expressly due to Mr. Morgan, who, three years ago, had made a loan of 12,000,000*l.* at which time he objected to another loan till all the shares were disposed of, and the loan was made on that condition. This happened in February; and yet, in the May following, another negotiation was entered into for a loan of three millions to the Emperor, when the shares of 12,000,000*l.* were at discount. That loan was the best which was ever made for this country. Who then had the right of preference but those persons who had suffered by a former loss? It was also notorious that the greater part of the last loan had been sold for a high premium. Nor did a pre-engagement with the present contractors hold good in all its connections; because, although the former contract was made ostensibly by Mr. Boyd, who was the ostensible person in the present contract? Mr. Boyd had it again, with a different list of individuals. Not one of the subscribers to the former condition had come forward in his own name to assert his claim to the present; and there was good reason for it, because that was worth from twelve to fourteen *per cent.* and consequently they

they had been no losers by their bargain. Was it not then unreasonable, when such profits had been gained, that, because one thirty-sixth part was not paid up, they should be favoured with the pre-emption, to the exclusion of those who had actually lost by a former negociation, and above all, to the great disadvantage of the publick? To come however to the right honourable gentleman's own statements of the subject, it appeared that, at the time of the negociation in 1794, there was an express stipulation, reduced to writing, that there should be no other loan; but in the present case, the language had been so vague, and loose, that the Chancellor of the Exchequer hardly recollected that there was any engagement of the kind. If that right honourable gentleman with such powers of recollection, as he was confessed to possess, could with difficulty recall such a provision having been made, and could so far have forgotten the stipulation as to have announced his intention of making an open loan, the engagement, if it had any actual existence, must have been of a slender nature indeed. It was evident, moreover, that no decisive stipulation did exist; because, when the authority was given to the Governor of the Bank of England to announce the competition, it was hardly understood that any preference existed. To what amount however was the stipulation?

He had been instructed, from two quarters, and they were ready to avouch it, but, at any rate he knew he should be corrected, that, when the petitioners conversed with the minister about the loan, he spoke of the inconveniencies which the other contractors complained it would subject them to, and said that they thought themselves entitled to a preference, and he thought so too. He thought they were entitled to some degree of attention. Surely this was a phrase which could hardly imply so considerable a bargain; and it was utterly impossible that there was an opinion at that time in the mind of the minister that it could go to that extent. The bargain rested then on this ground, that, after such a hint, all competition was withdrawn as expeditiously as possible. The only chance for competition was by bidding, two, three, or four *per cent.* above the contractors, and that was no competition. Gentlemen had heard, some years ago, a great deal said upon Irish reciprocity, and this would afford a counterpart; it was Irish competition. If, in the opinion of persons best acquainted with the influence and variations of the funds, and best known in continental politics, if, in their opinion, the loan had not been worth the 10s. *per cent.* more which the petitioners offered, and they had, in consequence, refused

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to take it on the proposed condition, every one must know that the contractors for it afterwards, instead of getting a premium upon the shares, must have allowed discount. Such were Messrs. Boyd and Co. the contractors for this loan, who, from their continental connections, and acquaintance with the funds, were conscious of the worth of the loan to its full extent; and if they had rejected it, by that rejection they would have manifested that it was not worth the having. Would not any man prove himself an idiot to take it after their refusal, with the additional payment of ten shillings *per cent.*? It proved itself therefore to his reason, as he imagined it must do to the reason of every man, that the bargain was too partial; without meaning any thing invidious, he could call it nothing but a pretence of competition. It was an invitation to other persons to set the price; to say it was a competition was a mere abuse of words.

So much for the competition and the claim of Mr. Boyd. He did not wish to dwell on rumours, and therefore only mentioned them as such; he had however heard, for a considerable time previous to the contract for the loan, from gentlemen whose opinions usually went with the right honourable gentleman, that Messrs. Boyd were to have it, and that odds were publickly offered upon it. Whence could this confidence have arisen, but from some knowledge which they must have had of the means to secure it; and if that were really the case, he left it to the committee to decide whether it was fair to stop the competition on such grounds.

The next question necessary to be submitted, Mr. Smith said was, whether there was a fair ground for imputing fraud? When it came to the kind of competition that he had stated, Mr. Morgan was desired to consider of it. Mr. Morgan could not consider it; he very properly refused to bestow one moment's consideration on it, and flung himself out of the room. If other means could have been afterwards devised, they should have been resorted to. It was the uniform practice of Lord North's administration to have a meeting one day for discussing the particulars of the loan, to let the next day intervene to consider on the terms, and the third day was appointed for the contract. Mr. Morgan did not want to consider of it, but went away in the full and firm persuasion that nothing would be done at least till Friday. The next day he went upon the Stock Exchange, to state what had passed to the subscribers, and informed them of the little hope he entertained of their agreement, when, to his surprize, he was informed, that the bargain had been concluded the pre-

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ceding afternoon by Mr. Boyd. It was extraordinary that the pressure of publick circumstances should have been so urgent as not to admit the intervention of a single day, nor to have made it occur to the right honourable gentleman how necessary it was to send an intimation of it. Mr. Smith did not know whether all that he had stated was correctly true, the parties however must answer for themselves, and he believed they were ready to affirm it at the bar, and establish it by evidence. The great difficulty would be, to prove whether the other bidders were ready to come forward with immediate payment; he had not yet heard any doubts upon that point, which he admitted was material, and if there were no doubts, the competitors must be called in.

The whole question then rested here, whether the loan was made upon good terms or not? The best mode to ascertain this would be by referring to former loans. If the present was at a low premium, it would have the appearance of argument in its favour. He compared it with the years 1775 and 1776, when it fell from one to two and a half *per cent.* discount. Had that been the case at present, it might have been said to be a bargain, although a close loan, with the appearance of competition. In 1780, indeed, the loan came out at $4\frac{1}{2}$ *per cent.* premium, and rose to a seventh and eighth; and in 1782 it came out at 10 *per cent.* premium, and rose afterwards to 11; but it was not in comparison with the close of the American War; and he supposed the right honourable gentleman did not wish to risk his character, either of policy, finance, or constitution, upon a comparison with that period. There was not only a difficulty in raising sums at that time, but a considerable difficulty of keeping together a majority of the house, which was, in some way, connected with the enormous premium on the loans. Their loans were expressly and notoriously made to keep majorities. He did not say that such was the case at present, he did not however deny that such an idea might enter the heads of the people.

Mr. Smith declared that for the reasons he had assigned, he believed the ground and arguments of the right honourable gentleman to constitute no instance of the real goodness of the bargain, nor did it appear he had even followed his own principle. The year before last there was a competition for 12,000,000*l.* since which time the right honourable gentleman had deviated from his own plan, for the premium of last year was larger than had been known. In the present year, he should be ashamed not to say, that it had an adventitious effect, when a peace might be not far distant, and when it
was

was laid down broadly that the means of the enemy were only sufficient for a small part of the next year. Under these circumstances, with a peace staring them in the face, and so much money in the market, it was impossible, in the nature of things, not to drive a good bargain, when the very next day after it was made, the contractor sold his loan at $5\frac{1}{2}$ premium; that was, for 18,000,000*l.* he gained one million profit.

Mr. Smith said he was aware that a loan had been at $6\frac{1}{2}$ premium, which, according to the present, would be at the rate of 1,100,000*l.* upon the whole capital; he observed however the comparison must then be between the two last years of the American war, and no other; for it could not be reckoned advantageous but in comparison with these, and the average premium then was nothing like what the loan at present bore. The arguments of the right honourable gentleman, therefore, were directly on his side, instead of on the side of the right honourable gentleman; if the premium were low, competitors were to be had; and if it were high at this time, it was a proof that the bargain was not a good one for the people.

He contended that in point of fact, the money might have been borrowed at two *per cent.* less. These very petitioners would have granted it at that rate. If no positive or actual proof could be offered, it might have been said, that men, in the bitterness of disappointment, and the heat of zeal, had merely come forward with assertions; but the gentlemen were ready to give their proof at the bar. He knew, however, that heads most ready to compute, and the most adroit in calculation, might sometimes be mistaken in their calculations.

The questions which he begged the House to keep in view were, whether a fair competition was likely to produce good to the publick; and if that principle had been acted upon, whether there might not have been a diminution of the burthens? If 400,000*l.* could have been saved, it was worth having. He would next ask the House, whether it was not fit and becoming in ministers, whether, indeed, it was not their bounden duty, to have procured better terms? the shadow of competition that had been set up had obviously produced no good, on the contrary had produced a great deal of mischief. The mischief was occasioned, he said, by the right honourable gentleman's arbitration, who did not wait for the proposal of Mr. Boyd, but made terms for him, and threw him in 6 *per cent.* when he might have had the money upon better terms for the public. Nothing could be more clear than this
assertion;

assertion; for, after other competitors had withdrawn, he confessedly proposed his own terms to Mr. Boyd; and, instead of allowing two days more to consider of it, the bargain was concluded in the afternoon of the same day, upon the minister's own suggestion. Having urged that point very strongly, Mr. Smith said, he wished to know if the right honourable gentleman had any means of getting rid of the difficulty?

He knew that the right honourable gentleman had not proceeded in the affair of the loan, without communicating his proceedings to other persons, and he thought it justice to them to say that he had no reason to doubt of their integrity and ability; he could not say, however, that those were the most proper persons to consult, who had an interest in making the terms to the public as high as possible. He knew not why the governor or deputy governor of the Bank of England, either from character or fortune, were more infallible than other men; but he knew that, by the rules of that House, no person could retain a seat in it while he enjoyed a pension, nor could a placeman remain there till re-elected. On this principle he wished the governor and deputy governor of the Bank had not been consulted; because they were officially entitled to a considerable part of the loan; and because no person could contend that they were proper persons, as they could not be stated to be perfectly disinterested in the event of the bargain. The amount of the premium of the governor alone exceeded that sum which his Majesty was unable to grant from his civil list, namely, 1200l. He must say, therefore, that the persons consulted ought to have been as disinterested as possible.

He wished every gentleman present to separate the censure of an improvident bargain, and the necessity of the House to sanction the supply, as much as possible. He did not wish to push censure; though he could not argue, if the House should refuse to sanction the engagement, that the refusal would imply censure; but he was bound to discharge his duty, though it should lead to a vote of that extent.

In regard to future bargains, he denied that the refusal would have an embarrassing or dangerous effect. If the sanction of that House must be given to every measure which a minister chose to undertake, the sanction itself was reduced to a futile and nugatory proposition. He was very ready, therefore, to declare that circumstances might warrant any gentleman to say that he would not sanction the loan, although he would not withdraw his confidence. On the other hand, the sanction of this loan went directly to prevent all future competition

tion. On the present occasion it had been understood, that it would be an open loan, and that bidders would be received on equal terms. Hence a number of people made provision, either by selling out their stock, or raising sums for the purpose. Would any gentlemen do so in future, unless they had previous reason to suppose they should actually have the loan, when they did not know that a person might not come forward in twelve hours after their arrangements upon grounds however light and frivolous, to supersede them? [A call for the question.

Mr. Smith said, he had gone through every point. He was not surprised to hear the question called for, especially when he recollected that he had neither placed his arguments in such a lucid view as the right honourable gentleman, nor mixed them with general topics, such as the right honourable gentleman often found opportunity to introduce with so much satisfaction to a part of the House, and with so much entertainment to the whole. He must observe, however, that when gentlemen betrayed eagerness at such a time, it implied that they did not entertain a very correct regard to the interests of their constituents or their own duty; and there never was a moment when those considerations were pressed upon them more than at that moment. They were pressed to the consideration of the question by the plenty of money which was stated to be floating in the country among the higher orders, whereby the competition was more likely to have been rendered beneficial to the public. They never could be more pressed to the consideration, than when the taxes, already most enormous, were increased, when the country was coming to the situation when the lower classes of the payers of the taxes were worse off than their fellow creatures who obtain relief from the poor-rates, and when not only 400,000l. but even 40,000l. was a proper object of investigation. He begged pardon for detaining the House so long, and for the prolix and irregular manner in which he had expressed his sentiments; but as he had only received some answers upon the subject a quarter of an hour before he rose to speak, he hoped to receive some degree of indulgence; and concluded by moving, that, after the resolution for granting the 18,000,000l. to his Majesty was agreed to, the chairman of the committee should report progress, in order that, when the House was resumed, he might move for an enquiry into the manner in which the loan had been contracted for.

[This mode of proceeding he adopted at the suggestion of
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the Chancellor of the Exchequer and Mr. Fox, as being the most regular.]

The first resolution, for granting the Loan of 18,000,000l. was then read and passed. After which the question was put, that the chairman should report progress, which was carried. On the question being put, that Mr. Hobart should leave the chair,

Mr. Fox said, that, after the able manner in which the subject of the Loan had been treated by his honourable friend (Mr. Smith) it would not be necessary for him to enter into it at large. He would only premise the few observations he had to make, by declaring that his not entering upon the consideration of the taxes that were announced, which he would take another opportunity to examine, was not to be construed into an approbation of them. Some of them he disapproved in the strongest manner, as he could not perceive that they afforded any security for the interest of the money they were intended to provide. His honourable friend had pressed a question of great importance to the point under consideration, which he would again propose to the right honourable gentleman opposite. He would ask, What was the nature of the engagement with the subscribers to the last year's loan, which had induced him to act in so extraordinary a manner? He could not conceive it to be of a very explicit or precise nature, since the right honourable gentleman had forgot it entirely, till subsequent circumstances had recalled it to his recollection. He wished to know whether he was bound to those subscribers by any specific contract. If he was not, upon what principle could he justify the mode in which the bargain was concluded? If he was, why did he send notice to the persons, whose complaints were preferred against the transactions, that it was to be conducted by open competition? He had given out that it was to be open, and had not given intimation that it was to be qualified. In putting this question, he could not hesitate as to the answer. The right honourable gentleman must have been aware, that any obligation here incurred must have been very important, and yet it had escaped his memory. He perceived, from what had been said, that it had been inferred, from the stipulation of the payment of the loan before February, 1796, that no other loan was to take place previous to that period. That, however, could not be considered as a specific engagement, nor justify the line of conduct the minister had pursued. The men who had thus been disappointed, sustained a very severe loss as individuals, and the public would ultimately be affected by the principle which had been established. Future loans, should new ones unfortunately be required, would

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would experience the bad consequences of the manner in which the present had been settled. The last payment of the loan for the present year was, he understood, in December, 1796; the consequence of which would be, that if the war unfortunately continued throughout the year, if the expence unfortunately continued to exceed the calculation made for defraying it, if the country was unfortunately in a situation to require parliament to meet next October, or if, on the supposition that there were no financial reasons for contracting early for the loan, it might be found expedient, in a political view, in order to shew the enemy the amplitude of our resources, and the energy of our exertions; would not the minister be under the same engagement then that he was at the present moment, and be equally debarred from all the advantages of an open loan? If this had been the word of the minister, his character might, indeed, be involved; but the consequences to the country were more important to be considered, and its operation upon future loans. If there were really an obligation of faith, even that he would contend, was violated. His obligation was not given to Messrs. Boyd and Company, but to the subscribers to the loan, none of whom stood upon the list of the present year. As the real subscribers of last year, therefore, were not consulted, to whom alone any pledge could be understood to be given, the very engagement on which the present extraordinary conduct of the minister was justified, had been substantially violated. The right honourable gentleman had departed from that principle of competition which he had formally extolled so highly. The very same circumstances which had occasioned a departure from it would be likely again to occur, and to cause a similar deviation. He declared he was ready to exculpate the right honourable gentleman from any imputation of fraud in this transaction but he could not exculpate him from a gross degree of inattention, in making the stipulations for the last year's loan, in having come under such an engagement in January last, as for ever to preclude him from his favourite plan of competition. He called upon the committee to reflect on the honourable gentleman's own language respecting competition on different occasions. In 1793 a loan was made on the worst and most extravagant terms; and the only defence which was set up for it was, that it was made by competition. He then contended, that, in a constitutional view, we were greater gainers by the mode in which the loan had been made, than we were losers in a financial view from the disadvantageous nature of the terms. At that time he had

agreed with the right honourable gentleman in the principle and differed with him only on the mode of competition. The next year he pursued his plan of competition. And what was the consequence? A loan of eleven millions was raised on more advantageous terms than was almost ever known.

The House would recollect the triumph of the right honourable gentleman upon that occasion, and his boast that he had combined constitutional with financial advantages. No sooner, however, was the system of competition approved by its success, than it was instantly abandoned; and though the right honourable gentleman had prepared the plan of competition, when it only answered constitutionally, he deserted it when it answered both constitutionally and financially. In the present instance all his confidence reposed in the goodness of the terms. For his own part, Mr. Fox said, he thought that the terms were extremely bad. It was with much concern he heard of a deviation from the good old custom of allowing twenty-four hours to intervene between the first meeting upon the subject and the conclusion of the bargain.

He also had occasion to repeat an observation which he had made last year, that if the stocks rose, then all the advantage was on the side of the individual; whereas, if they fell, there was no legal, or, at least, no practical mode of enforcing the bargain. The loan, therefore, ought to be contracted for upon a fair estimate of the average price of stocks, with a due regard both to the interests of the country, and the just profit of the individual. Mr. Fox entered into a comparison between the terms of last year's loan and of the present, and contended that a loan on the three *per cents* was negotiable on much more advantageous terms than on any other stock, because it gave a greater capital to the lender. The price of stock was also higher than it was last year; a better bargain was therefore to have been expected upon that ground. Thus, in time of peace, a loan might be negotiated with a much smaller *bonus* than at any other time.

He next compared the present loan with that of 1783. That loan had been made in very unfavourable circumstances, and he allowed it to be a very bad one for the country. Would a bad loan in 1783 however justify the House in acceding to a bad one in 1795? Would it justify them in acquiescing in the terms of the loan then proposed, in the present circumstances? clearly not, for they were not obtained by competition. It might be said, that it was easy for individuals to circulate reports of what terms they would have offered. But it was not a secret confined to a few hands; it was notorious that

that a great number of persons had collected an immense sum of money for paying the first installments; and how were they disappointed? because the Chancellor of the Exchequer was under some obligation, which he did not recollect, and which made it necessary for him to reject a competition. And this rejection he made, not in the most manly way, by talking of a competition, and, at the same time, by proposing it on such terms that no man, in his senses, would ever have thought of entering into it. He first declared that there was to be a competition to the governor of the bank; and when, upon this information, Mr. Morgan, and his friends had waited upon him to give in their proposals, the terms were such that no man could acquiesce in them. One very extraordinary circumstance, which he had mentioned in his speech, he could not forbear to notice, namely, that he had made his own terms with Mr. Boyd. That any man, on an occasion of that nature, should venture to trust the Chancellor of the Exchequer to settle the terms of a loan between him and the public, shewed that the gentleman must indeed have had very implicit confidence in him, to trust him in the official situation which he held as a referee and arbitrator. Such extreme generosity, such a boldness of confidence, seemed to him to prove rather too much. The transaction might be considered in a double point of view; as an injury to the petitioners, and as a loss to the country. To Mr. Morgan it was clearly a serious loss, his money being called in for the purpose of making this application of it; and to the public there was, first, a loss of 4,000,000*l.* That however was the least part of the public injury. By deserting the plan of competition, he had outraged a fundamental principle of the constitution, laid a precedent of which corrupt ministers might in future avail themselves, much to the detriment of the public, and checked for ever the spirit of adventure in the monied interest of the kingdom. Who, in future, would be inclined to follow Mr. Morgan's example? In vain the governor of the bank might give out that there was an open loan; he would not be believed. In vain might he assure the merchants that there would be a fair competition; a previous obligation would always be suspected. Mr. Morgan and his friends, for two months past, had boasted they would have the loan; because, from their particular ideas of the state of public affairs, they thought that they could offer terms more advantageous to the public than any other persons. The answer they received was, no; you will not; for whether it is determined by competition, or without competition, Mr. Boyd will get it. When these facts were known, would it not be the opinion

nion of the public; that the plan of competition was for ever abandoned, because the principles on which it was pursued were abandoned? He wished to know if it was the intention of administration to propose a loan to the emperor; and if it was, whether the minister was under engagement to give it the contractors for the present loan? He had many objections to make to the statement contained in the budget, and particularly to some of the taxes; but he would not enter into any discussion upon these topics, till the present important question was disposed of.

The Chancellor of the Exchequer said, he knew of no agreement which had been entered into respecting a loan to the emperor. With regard to the general question, whether, by his conduct in the adjustment of the present loan, he was to be considered as departing from the principle of competition, he hesitated not to say, that such was by no means his intention; on the contrary, he retained as strong an attachment to that mode as ever. With regard to the present instance, it remained for the committee to judge of the peculiar circumstances under which he had departed from this principle; it could not however by any just inference follow, that, because there were exceptions to a rule in particular cases, that therefore he had abandoned the rule altogether. Were the maxims pressed upon him to be followed up, there must be an obstinate adherence to one particular system under all supposable cases that might occur, or otherwise he must be exposed to the charge of a fruitless departure from a given rule for some improper purposes. He could not admit the force of either of these suppositions. It had been objected that, by his agreement with Messrs. Boyd and Co, he had prevented other offers; he knew not whether that was true or not; at any rate, the question which he was bound to consider was simply, whether the terms which had been offered were such as he ought to be satisfied with? He apprehended he had assigned satisfactory reasons on that point, and for shewing why, in the present instance, he ought not to encourage a competition.

It had been observed, that Messrs. Morgan and Co. had attended to receive, rather than to make proposals, and that they had withdrawn without any being made to them. He proceeded to relate, that at that interview he had sufficiently explained the terms of the loan; and likewise that, in addition to the eighteen millions to be borrowed, there was a possibility of funding five millions more of the navy debt, in addition to the advance of a loan of three millions to the Emperor

peror. The right honourable gentleman (Mr. Fox) had entered into a comparison of the terms of the present loan with that of last year. He had observed, that the price of stocks fell during the discussion. Upon that point, the Chancellor of the Exchequer said, he had fortunately by him, and would read to the committee, the component parts of that loan, and the price of stocks, when that bargain was made. From that statement (which he read) gentlemen would see, that the *bonus* of the present loan was somewhat less than the former, and not more than it was necessary to give under all existing circumstances. It had, indeed, been said, that it must be expected that the *bonus* should be less when the stocks are higher than they were last year, but he observed the rise of the funds was little more than 3 per cent. higher than they were at the time of the former loan. It had also been remarked, that the *bonus* should be considerably less since the capital had been principally made in the 3 per cents. Upon these points the authority of a noble lord, (Lord Stanhope) when a member of that house had been stated, but was any gentleman ready to profess himself willing to go to the same extent with that noble lord in his opinions and principles. He went over the leading principles which he had laid down on opening his speech, and produced a paper which stated the rates of interest of different loans. He particularly noticed the terms of the loan of 1794, when the system of competition had been stated to be carried to its utmost height; then the 3 per cents. were 67 $\frac{1}{4}$, and the 4 per cents. 83 and odd; the rate of interest on the eleven millions then borrowed was 4l. 11s. per cent. in the present loan it was stated at about 4l. 13s. and though this loan had been branded as so enormously extravagant, it was evident that there was not the difference of 2s. 6d. of a loan of eighteen millions, compared with a loan of twelve millions, and that at the advanced period of the fourth year of the war in which we were engaged. Was this loan then, he asked, so bad, that the House of Commons were called upon to refuse to give it their sanction? This he could not believe; and he trusted that, considering all circumstances, the house would not stamp it with its disapprobation: sure he was that he had nothing to reflect upon himself for in the present transaction.

Mr. Fox remarked, that in the present loan there was only 6s. 6d. taken in Long Annuities, whereas the loan in 1794 was 12s. 6d. He observed also, that part of that loan was in the 4 per cents. whereas the present was in the 3 per cents. He thought it strange that the 4 per cents. then should be within

within one *per cent.* of what they were at present, whilst the 3 *per cents.* should be above 3l. less in value than at this time. On the subject of competition, which the right honourable gentleman had professed to adopt, he could not help observing, that fifty-one millions and a half, which that gentleman had had occasion to borrow for the public in the course of the present war, fifteen millions had been raised by competition, and thirty-six millions by close contract; such had been the exception to the general rule, which the right honourable gentleman pretended so much to approve!

The Chancellor of the Exchequer explained the terms of the loan of 1794.

Sir Francis Baring remarked, that if the additional discount were reckoned, it would make the terms of the present loan above 7l. per cent. He also pointed out a material difference between the present loan and that of 1783, when the minister had not the benefit of the Sinking Fund, as at present.

Mr. W. Smith reverted to the transactions with Messrs. Morgan and Mellish, and observed, that though they could not be said to know exactly the terms which the minister was to offer, yet they could not be ignorant, that, in addition to the eighteen millions, a certain number of Navy Bills were to be funded; and that they, with their friends, who were ready to offer for the eighteen millions, were at the same time ready to offer for more.

Mr. Sheridan said, he rose to make one observation: the right honourable gentleman had admitted that he had been in an error with respect to what had passed in January with Mr. Boyd; that when he came to carry his project of competition into execution, he had, for the first time, discovered that he was entangled in an engagement, of which he was not before aware; and that had it not been for that he would have proceeded to make a loan by competition. He thought it extraordinary that, in transacting this loan, the right honourable gentleman should have forgot the circumstances that passed in conversation with Mr. Boyd. In a former conversation with Mr. Morgan, the right honourable gentleman was, he said, chargeable with the same forgetfulness as to the circumstance of the Imperial loan; that Mr. Morgan and his friends had taken fire at this, and had posted up a paper in the Stock Exchange, (which Mr. S. read) stating, that, other funding had taken place, of the 11 millions, and the Navy Bills of the two millions, and Exchequer Bills of two millions, signed Godschal, Morgan, and Angerstein: he thought it some-

somewhat extraordinary, that, after this rebuke which the right honourable gentleman had received, he should omit being explicit, whether or not there was to be another Austrian loan. He asserted, that the effect of this negligence would be a total loss of character, as to punctuality of business, a great pecuniary injury to Mr. Morgan and his friends, and a loss to the public of near 400,000l. sterling. How far such a loss was criminal, he should leave to the committee. The question he wished to ask was, whether the right honourable gentleman considered himself bound to contract no new loan till the last payment on the former one was made good?

The Chancellor of the Exchequer answered this question in the affirmative; and explained the nature of the negotiation which he had entered into respecting the Imperial loan.

Mr. Sheridan insisted that Mr. Morgan proceeded not upon rumour, but upon official documents, with respect to the Chancellor of the Exchequer's contracting for the Imperial loan.

Mr. Hussey reminded the Chancellor of the Exchequer how much the *bonus* increased the interest of the loan. He thought he was blameable for the manner in which he had disposed of the loan; and calculated the difference between 90,000l. which he had saved by giving the loan to Mr. Boyd, and the loss of 333,000l. which was ready to be given by Messrs. Morgan and others. He declared he had a commission to state this to the house; and then read a letter (dated that day) from Mr. Morgan to Mr. Pitt, stating the advantageous terms to the public on which he had offered to take the loan. And another letter, signed by Dimsdale and Co. and other Bankers, declaring, that, in case Mr. Morgan's offer to contract for the loan was accepted, they would engage to become the security for making the payment of 10l. per cent. on Thursday the 10th instant.

The Chancellor of the Exchequer declared, that until the honourable gentleman produced and read those letters, he had never seen, nor heard of them; and he asked whether a letter, produced under such circumstances, and after the bargain had been concluded, was a fair proceeding or would induce the committee to suspend coming to a determination on the subject? In answer to a remark which had been made, he declared, he had not said that a race for competition was a race for gain, whilst he considered it for the advantage of the public; that by the bargain he had concluded

cluded, he had deprived monied men from agreeing to the loan, on terms not much exceeding four and a half *per cent*.

Mr. *Huffey* explained respecting the contents of the paper which had been read by Mr. Sheridan, and stuck up at the Stock Exchange. The question was loudly called for.

Mr. *Jekyll* said, that the impatience of the house for the question could not add much to its credit or character, were they to think, for a moment, that in this discussion was involved the voting away a sum of not less than half a million of their constituents' money. He rose in consequence of what had fallen from the right honourable gentleman opposite, who had uniformly praised the system of public competition for loans, and now had deviated from it upon what he called *special grounds*. He wished that it should be known what these special grounds were, and recalled the attention of the house to what he had said early in the session relative to certain fictitious bills, purporting to be drawn from Hamburg by Mr. Boyd, though he believed they had been drawn in London, and accepted by Messrs. Rose and Long of the Treasury. They were sent into the market for discount: the Bank would not touch them; he understood however that some private individuals had discounted them; and an honourable friend of his having mentioned the 10th of December as the day when the first instalment of the loan was required, it became a curious fact that it was the precise day on which all those celebrated bills run to, although they were drawn at different dates when first issued. This, in his mind, carried with it a presumptive evidence of the cause why Mr. Boyd was to have the preference, and all open competition was shut out. The right honourable gentleman had desired him to name a day for an enquiry into this subject when he first stated it; he knew too well the fate of enquiries of that sort, and the manner in which they had been got rid of: still, however, he must insist that the circulation of these bills was a mean, shabby, disgraceful trick; so scandalous that it was beneath the character of a statesman, and more like the last resort of a swindling trader.

The *Chancellor of the Exchequer* said, that if the learned gentleman chose to name a day, he was ready to go into any enquiry respecting these Bills.

Mr. *Fox* considered that as a poor excuse, when the right honourable gentleman's credit and honour were concerned. He thought Mr. Morgan had been ill used, and deceived into a risk of a considerable sum of money; and that he had a right to come forward, and state to the public that he was still ready

ready to make them a more advantageous offer. Mr. Fox observed that the right honourable gentleman had never answered the question, whether, when he gave Mr. Morgan reason to think that there would be a fair competition, he had at that time any circumstance in his mind which he knew would prevent him from giving Mr. Morgan and his friends that open competition which was held out? He complained of the mischievous effects both to Mr. Morgan and his friends, and the public at large, which had resulted from the want of this explicit information. He saw no reason why the committee of the House of Commons should adopt the most expensive plan, because of the improvident engagements of the minister. If they were forced to become a party, he thought it should be a party to the best bargain, which was the first engagement of the minister with Mr. Morgan.

The question was put on Mr. Smith's motion, when there were,

Noes,	-	-	237
Ayes	-	-	27
			210
Majority,	-	-	210

HOUSE OF LORDS.

TUESDAY, December 8.

The Bills on the table were read a second time.

A petition was presented from Liverpool, praying the legislature to adopt such measures as are necessary to restrain seditious meetings.

A message was delivered from his Majesty, by the Duke of Portland, stating that his Majesty would relinquish the amount arising from the sale of the prizes taken from the subjects of the United States of Holland, after deducting the claims of the captors, for the public service.

Lord *Walsingham* moved an address of thanks to his Majesty for his gracious communication; which was agreed to accordingly.

Ordered, that the House be summoned for Wednesday the 9th. Adjourned.

HOUSE OF COMMONS.

TUESDAY, Dec. 8.

After the names of the members were called over, pursuant to the Order of the Day, the Chancellor of the Exchequer brought up the following Message from the King, which was read by the Speaker, the Members standing and uncovered.

G. R.

“ His Majesty, relying on the assurances which he has received from his faithful Commons, of their determination to support his Majesty in those exertions which are necessary under the present circumstances, recommends it to this House to consider of making provision towards enabling his Majesty to defray any extraordinary expences which may be incurred for the service of the ensuing year, and to take such measures as the exigencies of affairs may require. His Majesty, on this occasion, thinks proper to acquaint the House, that the crisis which was depending at the commencement of the present session, has led to such an order of things in France, as will induce his Majesty, conformably to the sentiments which he has already declared, to meet any disposition for negotiation on the part of the enemy, with an earnest desire to give it the fullest and speediest effect, and to conclude a treaty for a general peace, whenever it can be effected on just and suitable terms for himself and his allies.

“ It is his Majesty's earnest wish, that the spirit and determination manifested by Parliament, added to the recent and important successes of the Austrian armies, and to the continued and growing embarrassments of the enemy, may speedily conduce to the attainment of this object, on such grounds as the justice of the cause in which this country is engaged, and the situation of affairs, may entitle his Majesty to expect.

G. R.

The Chancellor of the Exchequer, after the message was read, regretted the absence of Mr. Grey, who had given notice of a motion respecting peace; as he wished to know whether, after the message which had been read, that gentleman would bring forward his motion. If he did, Mr. Pitt said, he would defer the consideration of the message till after a decision had taken place on the proposition of the honourable gentleman; but if he thought fit to postpone his motion respecting peace, then he would move that the King's message be taken into immediate consideration.

The following Message was then delivered:

G. R.

“ His Majesty thinks proper to acquaint the House of Commons, that a considerable division of ships, having on board foreign troops in the service of Great Britain, having been dispersed and damaged, while on their passage from the rivers Elbe

Taxes 1796 Decemb. 7th

Legacies on Land & personal Succession	£ 254,000.
10 Percent on Assessed Taxes	140,000.
Houses for pleasure	116,000.
D ^o . for Industry	100,000.
Tobacco	170,000.
Printed Cotton	135,000.
Waste Salt	32,000.
Drawback on Sugar	180,000.

From this must be deducted being, £ 1,127,000

afterwards relinquished

1. Land Succession	£ 140,000.
2. Printed Cottons.	135,000.
	<u>275,000</u>

£ 852,000.

Taxes 1796 April 18th

Dogs	£ 100,000.
Hats.	40,000.
Minis.	600,000.

£ 740,000.

Decemb. 7. — 852,000.

April 18. — 740,000.

£ 1,592,000.

Supplies for the service of the Year 1796—

Navy	7,266,552. 1. 8
Army	11,907,399. 9. 10
Ordnance	2,240,665. 17. —
Miscellaneous services.	10,686,837. —. 9 $\frac{3}{4}$
	<u>32,101,454. 9. 3 $\frac{3}{4}$</u>

Ways and Means.

By Land Tax	2,000,000
By duty on Malt	750,000
By first Loan	18,000,000
By second do.	7,500,000
By a Lottery	780,000
By surplus of consolidated fund	3,500,000
	<u>32,530,000</u>
Total services.	<u>32,101,454. 9. 3 $\frac{3}{4}$</u>
Surplus of Ways and Means.	<u>428,545. 10. 1 $\frac{1}{4}$</u>

0442

