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Lord AUCKLAND.. My Lords, I came to the House this day, disposed and not unprepared (as far as long practice and experience in such subjects, with the aid of ample materials and some industry, could prepare me) to enter at large into the discussion of the expences of the present war, and of the debts, revenues, and resources of the kingdom. I certainly was not singular in supposing that the mass of papers collected upon your table was meant for a discussion.

The noble Marquis however, has thought proper to confine himself, for the present, to observations respecting the reduction of certain offices, the mode of paying the army, the simplifying of loans, the abolition of patent places in the customs, the new barracks, the appointment of a transport board, and a present of money supposed to have been made to the Dey of Algiers.

I would not intentionally undervalue propositions coming from so high a quarter, and liable in their nature to be considered as fit objects for the attention of Parliament. But surely, my Lords, when the points alluded to are compared with the extensive interests and expectations of the day, I may be permitted, with all due respect to the noble mover, to borrow an expression of his own, and to say, that he has called upon us "to make a great account of small matters."

Be this, however, as it may, I do not mean to enter into any of the particulars in question. Whether they are matters of charge, or of inquiry, and whatever may be their intrinsic value and im-

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portance, they have already been forcibly and fully answered by the noble Lord who spoke second in the debate.

The noble Marquis closed his speech with a wish, that all discussion of the finances, and of the general situation of the kingdom, might be postponed to a subsequent day. I could have acceded to that intimation readily and without reserve, if the noble Marquis had confined his motion to the same limits within which he confined his speech.

But, my Lords, there are expressions in that motion by which I feel myself irresistibly impelled to stand forward, and to call for your most serious attention.

It is proposed to us to declare: "That our trade is reduced to a dependence on the very warfare which is fundamentally destroying it, and has so exhausted our resources as to drive us to the wretched expedient of reviving taxes which were a few years since repealed, on the ground of thereby increasing the revenue; an effect which that repeal produced, and a policy which must therefore again be resorted to on the return of peace; and which will consequently bring with it the necessity of finding new taxes, if new and productive taxes can be invented in our then exhausted state."

"That in a situation so alarming, and so manifestly tending to destroy the confidence of the people in Parliament," "it behoves Parliament by a timely revival of its ancient energy and integrity, to convince the people," &c.

I will not quarrel, my Lords, with the exhortation to "a timely revival of "your ancient energy and integrity:" The deep respect so justly felt towards you by the whole British empire places you in a point of view paramount to such insinuations. I am only concerned that the noble Marquis, possessing in so eminent a degree all the powers of language, should have been hurried into the adoption of a phrase, which, on better reflection, he must disapprove.

But, my Lords, I strongly and from my heart object to the other expressions, as purporting to convey to the public (and that too without any proof or previous inquiry) a parliamentary declaration, grossly injurious to ourselves, depreciating the national credit, disheartening to the nation, and encouraging to our enemies. I feel it a sacred duty incumbent on me to resist, as far as God has given me faculties to resist, the tendency and mischief of such an impression.

Under the influence of this sentiment, it shall be my endeavour to state our actual situation to your Lordships. It would not be my wish, even if I had powers to accomplish it, to lead you into opinions more favourable than the truth will justify: but I am

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strongly desirous that our situation should be seen as it really is; and I embrace, with earnestness, the occasion of exhibiting it in a fair and full point of view.—In the discharge of a duty so important, I shall abstain from details and minute calculations which might fatigue the attention. If the accuracy of my positions should be doubted, I shall at any time be ready to repeat them, to explain them, and to produce the documents on which they are grounded.

I shall accordingly read to your Lordships one of the papers which I had prepared for the expected debate of this day. “A comparative view of certain public circumstances in the respective periods of 1783—4 and 1795—6;” submitting upon each article such remarks as I conceive to be material; and mentioning the particulars distinctly, that a note may be taken of them if it should be wished.

This subject has been rendered in some degree familiar not only to your Lordships, but to the whole country, by the distinct and numerous statements of the public accounts, which during the last ten years, have been brought forward and printed, with a candour and liberality beyond all example in the history of Parliament.

I have selected the year 1783, as having been the first of the last peace; and certainly I take no advantage in comparing with a first year of peace the fourth year of an unfinished war. It is the epoch from which the trade, revenue, and resources of this country have risen, gradually and progressively, to their present unparalleled height, without any interruption from the circumstances, magnitude, alarms, and expences of the present, my Lords, far more dangerous than that which we sustained against the united efforts of France, Spain, Holland, and North America: a war in which our enemies are entirely exhausting their capital, and expending even the whole value of their soil; and to which they have sacrificed their finance, commerce and population, in the vain hope of finding the means of our ruin.

The first article relates to the public funds:

“The price of the 3 per cent. consols. January
27, 1783, was ———— £.55
“Ditto, May 2, 1796, ———— 66

Such is the difference of the price of funded property, in favour of the present period, in a country described by the motion to be reduced in trade, exhausted in resources, without confidence in its government, and approaching to public confusion. In the first period (of peace) the price was 55; in the latter period (of war) the price is 66. In contemplating this difference, we shall derive

additional satisfaction from recollecting that it has arisen notwithstanding the pressure resulting from an addition of at least 110 millions, which have been funded since the first period, for discharging the out-standing debts of the last war, and for providing for the expences of the present war.

The next article to which I request your Lordships' attention is the comparative price of India stock:

“The price of India stock, January 27, 1784, was £.121
“Ditto, May 2, 1796, ———— 209

It is no contradiction to the conclusion which I mean to draw from the difference of those prices, that the dividends of the company have been raised since the first period. If the dividends had not rested on the solid ground of great and increasing prosperity, they would only have contributed, after a certain interval, to depress the stock instead of raising it.

I proceed to the consideration of our imports and exports.

“The total value of imports in 1783, £.13,325,000
“Ditto in 1795 (including prize goods to the
amount of £.907,000), ———— £.22,175,000

I admit that the documents which purport to give valuations of our imports and exports are necessarily imperfect, and particularly so with respect to the latter. Still however they are sufficient for the present objects of comparison, being drawn from the same data equally applied to the different periods meant to be compared. Besides, it is well known that the inaccuracy of those accounts, so far as it prevails, consists chiefly in stating the general bulk of articles below their real value. The effect, therefore, of that inaccuracy, operating here upon the larger quantities, tends to diminish, and not to swell, the balance of the valuations which I am opposing to each other.

“The total of exports, in 1783, £.14,741,000
“Ditto in 1795, ———— £.27,270,000

I take the occasion to remark, that this great increase in our export trade has been almost regularly progressive, from 1783 to the present year. An ignorance of that circumstance, in the minds of some observers, led to strange conjectures, when the valuation of the last year's reports was made public. The supply of cloathing and provisions to our army was assigned as having contributed to swell the account; but those articles were sent in the King's transports, which take no clearances from the Custom-houses; and consequently, whatever may have been their value, it formed no part of the total before stated. It was a notion equally ill founded that bullion was included. As far as I have been able to analyse

the account, I can venture to say, that it is composed of a proportionable increase in the several articles of produce, manufacture, and foreign mercandize, which ordinarily compose our export trade.

And here also I should remark, that the real value of the British manufactures exported, in general greatly exceeds the valuation stated in the Inspector-General's accounts.

Your Lordships will have observed, in the papers upon your table, that the exports to Germany rose last year to the value of eight millions sterling. This alone is a strong instance of our increasing commerce. For though it must happen, for obvious reasons, that in all wars our exports increase to countries in the neighbourhood of the enemy, that circumstance will not account for the great rise in the exports to Germany: the rise is much more than equal to the average annual valuation of our whole export trade, in time of peace, to Holland, Flanders, and France, collectively.

I am next to submit to your Lordships the most important criterion of our commercial prosperity; I mean the comparative exports of British manufactures, and also of foreign produce.

| | | | |
|---|-----|------|--------------|
| " Value of British manufactures exported in | | | |
| 1783, | --- | ---- | £.10,409,000 |
| " Ditto in 1795, | --- | ---- | £.16,526,000 |

Here then we find, in the last year (a period of war), compared with 1783 (a period of peace), an increase, to the amount of six millions sterling, in the exports of British manufactures; and this from a country stated, in the motion, to be exhausted in its resources, and driven to "wretched expedients!"

| | | | |
|-------------------------------------|-----|------|--------------|
| " Foreign produce exported in 1783, | | | |
| | --- | ---- | £.4,332,000 |
| " Ditto in 1795, | --- | ---- | £.10,743,000 |

Here also we see an increase to the amount of six millions sterling. I admit that it may have resulted in part from the ruin of the commerce of our enemies, and from the possessions of which we have deprived them; but it is not the less an instance of our comparative prosperity.

In the increase of our imports we find a remarkable proof of the flourishing state of a principal manufacture:

| | | | |
|---|-----|------|------------|
| " Cotton wool imported, on the average of | | | |
| five years, in 1783, | --- | ---- | 7,000,000 |
| " Ditto in 1795, | --- | ---- | 28,000,000 |

And here it should be observed, that though our cotton manufactures have made and are making so rapid a progress, it appears by the most satisfactory evidence, both from the interior of the kingdom, and from the Custom-house, that the woollen, iron,

pottery and other principal trades, are greatly increased, for the purposes both of home consumption and of exportation; and that the silk manufactory, which it has been apprehended might be annihilated by its rival, the cotton has not fallen off.

| | | |
|--------------------------------------|-----|---------|
| " In 1783, the raw silk imported was | lbs | 675,000 |
| " In 1794, it was | --- | 683,000 |

Our importation of thrown silk has in like manner had a small increase. Its annual amount, after deducting the quantity exported, is, on the average of the last five years, about 381,000lbs.

I proceed to another article of comparison which I bring forwards with peculiar satisfaction, as connecting the prosperity and increase of those immense possessions in the East, to which every day is adding some new security and some new and permanent extension.

| | | |
|--|------|-------------|
| " Value of British merchandize exported to the | | |
| East Indies in 1783, | ---- | £.621,921 |
| " Ditto in 1795, | ---- | £.2,229,444 |

I am led by the subject last mentioned to state, in the next place, the net revenues of the East-India Company above the charges.

Having been the chairman of the Committee appointed to inquire into the affairs of the East-India Company in 1783, I may be allowed to say, with some degree of confidence, that at that period the Company possessed no net revenue above the charges; on the contrary, that the charges exceeded the revenue. At present, by a system of accounts annually laid before Parliament, the accuracy of which is fully established by the experience of several years: "the net revenues of the different settlements of the East-India Company amounted in 1795 to about £.2,000,000.

| | | |
|---|------|-------------|
| " The amount of sales for East India Com- | | |
| pany's goods for 1783, was | ---- | £.3,363,800 |
| " Ditto for 1795, | --- | £.7,718,265 |

I must now, my Lords, request your attention to the prosperous statements of our navigation.

"Total number of British ships which entered inwards at the ports of Great Britain, or cleared outwards."

| | | | |
|-----------|--------------------|------------|------------|
| INWARDS. | | OUTWARDS. | |
| Vessels. | Tons. | Vessels. | Tons. |
| 1783,---- | 7,690---812,960 | 7,729---- | 870,270 |
| 1795,---- | 10,174---1,262,568 | 10,133---- | 1,164,910. |

Though the increase in the number of British ships is here so large, yet it will occur to all who hear me, that it would have been still larger, if the circumstances of the war had not required a considerable proportion of merchant ships to be employed in the

transport service, and compelled us, to a certain extent, to make a temporary use of foreign bottoms.

The progressive increase of our mercantile shipping, may be more clearly shewn by the accounts which have been kept under the register act, best known by the name of the noble Lord who introduced it. As that act was not in full effect till the year 1789, I cannot carry the comparison to an earlier period. But here let it be remarked, that in 1789 we were indisputably in a state of high prosperity and of peace; and yet since that period, if we extend our views to the whole of the British empire, we shall find that our increase, both in shipping and tonnage, has been in the proportion of about sixteen to fourteen.

“ Total number of vessels belonging to the British Empire.”

| | Vessels. | Tons. | Men. |
|------------|----------|-----------|----------|
| “ 1789,--- | 14,310 | 1,395,074 | 108,962 |
| “ 1794,--- | 16,802 | 1,589,162 | 119,194. |

I now come to a general comparative statement of our finances at the respective periods in question, beginning with the amount of the permanent taxes :

| | | |
|--|----|--------------|
| “ Amount of permanent taxes on a three year's average to January 1784 | -- | £.9,876,000 |
| “ Amount of the same taxes, after making allowances, as far as they can be calculated, for the intermediate changes and arrangements of the revenue; and also for the taxes imposed in 1784, 1785, 1786, and 1789; as well as for the profit gained by the consolidation of the customs and excise duties; on a three year's average to the 5th January 1796 | -- | £.12,381,000 |

Exhibiting, amidst the failure of resources, and the disastrous circumstances ascribed to us by the motion on the table, an increase of nearly one fourth in the actual produce of the identical taxes of 1783, to many of which the weight of new imposts has since been added.

The next object is the amount of the unfunded debt.

| | | |
|--|-------|--------------|
| “ Navy debt outstanding and unprovided in December 1783, | - - - | £.15,510,767 |
| (If taken in December 1782, when the noble Marquis was at the head of the Treasury, it was 14,207,414l.) | | |

| | | |
|---|-------|-------------|
| “ Navy debt outstanding and unprovided on 2d May 1796, only | - - - | £.2,300,000 |
|---|-------|-------------|

Being little more than the floating navy debt in 1791, a period of

acknowledged prosperity and profound peace. I would not be understood here to conceal that there existed in last December, a navy debt to the amount of near 11,000,000l. which was not funded; but, for a large proportion of it, taxes had even then been provided. The recent discharge of a part of that debt for the purpose of facilitating public credit, is at once a proof of our resources, and of the wisdom and energy which have distinguished Parliament in all the exigencies of the present war.

The next account which I shall mention to your Lordships will be that of the Bank advances, in order to shew that the idea of our being aided by extraordinary anticipations is without foundation :

| | | |
|--|--------------|--------------|
| Bank advances, April 5th, 1783 | - | £.11,279,000 |
| Ditto May 2d, 1796, | - | £.11,132,000 |
| Of which last sum provision has actually been made for funding | £. 5,030,000 | £.6,102,000 |

A farther striking contrast of public circumstances in the periods compared will be seen in the following statement :

| | | |
|---|-------|--------------|
| “ Amount of outstanding demands and floating and unfunded debt in January 1784, (exclusive of two millions to American sufferers, the debentures for which have been annually paying off, and will this year be discharged within 80,000l.) | - - - | £.27,000,000 |
|---|-------|--------------|

I have no sum to place in opposition to this amount of twenty seven millions sterling. Estimating the debts actually outstanding *, and throwing into the opposite scale the whole supplies for which taxes are already found, I may state that certainly there is no outstanding balance of debt unprovided for at this day; such and so efficient have been the measures adopted and pursued for preventing an accumulation of unfunded debt! If, indeed, the estimate were extended to January 1797, the conjecture would be utterly uncertain. The result must depend upon the extent of the navy debt, and of the extraordinaries of the army to be incurred in the course of the present year; and it is possible that the outstanding debt might then amount to six or seven millions.

Adverting to the sinking fund I have nothing to state under that head in 1783. There did not then exist the means of a sinking

* It will not easily be believed that this passage can have been construed, by any man of sense or information, into an assertion, “ there are neither outstanding debts and demands, nor any floating and unfunded debt.”

fund. On the contrary, there was a deficiency of revenue, to the amount of at least 2,000,000*l.* below the peace establishment, supposing it to have amounted to fifteen millions.

| | | | | | |
|---|-----|---|---|---|--------------|
| The amount of permanent taxes for the year 1783, | was | - | - | - | £.10,194,000 |
| Allowed for a farther estimated produce of the taxes imposed in 1782 and 1783 | - | - | - | - | 256,000 |
| Land and malt | - | - | - | - | 2,550,000 |
| Wanting to complete the supposed amount of the peace establishment | - | - | - | - | £.2,000,000 |
| | | | | | <hr/> |
| | | | | | £.15,000,000 |

Very different is the statement for the 2d May, 1796. At this day the sinking fund is above 2,400,000*l.* (without taking credit for 200,000*l.* annually voted in addition.)

And I am prepared to shew, whenever a proper occasion may arise, that, exclusive of so large a sinking fund, which is hourly augmenting itself, there is, by the actual established taxes, even under the absurd supposition that they will not be more productive in peace than they are in war, such a balance of revenue as, together with the aid to be expected from the East-India participation and the lottery, will furnish one million annually, beyond the peace establishment above stated of 15,000,000*l.* over and above the interest for the additional debt incurred by the present war.

If it should be objected that the future peace establishment would necessarily exceed the supposed amount; still the surplus which I have stated would be applicable to it, in the whole or in part, without any interruption to the progress making in the discharge of the debt.

I am aware that the necessity of an enlarged peace establishment may arise; but on the other hand, the favourable contingencies of peace may be expected to give a proportionable increase of revenue. In a word, my Lords, if my computation is accurate, there will remain a surplus of 1,000,000*l.* (beyond the sinking fund and its growing produce), over and above all charges, applicable to such services as our position on the return of peace may make expedient.

With respect to the sinking fund, your Lordships will recollect that the annual million, set apart in 1786, is to be inviolably applied to the reduction of the debt, till the accumulation, with other accessions and expiring annuities, shall amount to £.4,000,000*l.* a year, from which period there will revert annually to the disposal of Parliament, taxes equal to the interest of whatever part of the national debt may be repurchased by the application of four millions

a year. Your Lordships are farther aware that the other branch of the sinking fund was established in 1792; in consequence of which, an addition of one per cent. of the capital is now provided, for the gradual discharge of every new debt created. In other words, a most salutary system has been introduced, by which the increase of revenue is required to be greater than the charge of interest to be paid for new loans; and that increase, at the rate of the loans made in the present war, has amounted to about one sixth of the whole charge. Thus it is that 750,000*l.* a year of the taxes voted in this war are applicable not to the expence of the war, but to the reduction of the new debt incurred; which will discharge the whole of that new debt (estimating the rate of money at four per cent.) within a period of forty-one years, when a farther disposable income of 4,500,000*l.* a year will revert to the Public.

About nineteen millions of capital are now redeemed by the operation of the sinking fund, set apart in 1786. Six millions more will be redeemed in about three years, and the five per cents. will then be redeemable. The reduction already made is more than three times as great as the whole reduction that was effected in the period of peace between 1763 and 1775 (and that reduction is exclusive of the expence of the Spanish armament in 1790, to the amount of 1,830,000*l.* which has been defrayed by a separate provision). It is an important result of this system, that the whole of the perpetual annuities are in effect converted into annuities for terms of years, varying as to the course of redemption, from fifty-four to thirty-nine years; and it is found in the progress of this operation, that the daily and increasing payments for the capital redeemed, have the most beneficial effects in money transactions and upon public credit.

I abstain from entering into the consideration of the expences occasioned by this war comparatively with former wars, or of the productiveness of the taxes, or of their tendency to bear more or less heavily on the bulk of the people. I shall be ready to discuss those subjects at a proper time; not, however, as an advocate for war. The noble Marquis cannot see the inconvenience and difficulties of so extensive a war as the present with more concern than I do. But I see also the necessity of that war; and therefore I derive great consolation from the sense and conviction which I entertain of our ability to support it. And surely, it is most important not only to appreciate fairly our own strength and resources, but to shew that we may look forward with a well-founded confidence to the farther use of that strength and of those resources, if the

perverfenefs of the enemy ſhould make it expedient for us to employ them.

I ſhall cloſe this comparative account by a ſtriking and important ſtatement.

“ Amount of revenue (including the land and malt) below the computed expenditure on a peace eſta bliſhment of fifteen millions £. 2,000,000

“ Ditto above the computed expenditure on a ſimilar peace eſta bliſhment, with the addition of increaſed charges for the debt incurred by the preſent war (1795) £. 3,400,000

If we compare the exceſs of 1796 (3,400,000l.) with the deficiency of 1783 (2,000,000l.) the difference of revenue in favour of the former period will be 5,400,000l.

Your Lordſhips cannot fail to have remarked, that all theſe objects converge in a remarkable manner towards the ſame concluſion. The coincidence is an irrefragable proof that they all ſpring from the ſame ſource—the real proſperity of the country. If there is any inaccuracy in my ſtatements, I am perſuaded it is inconfiderable and certainly it is not intentional.

Facts, ſuch as theſe, my Lords, greatly outweigh all the declamations that the genius and eloquence of mankind can produce. I ſhall leave them, therefore, without comment; they ſufficiently enforce themſelves; they are unequivocal proofs of the reſources of the kingdom; no man can look with an unprejudiced eye at ſuch ſtatements, and not perceive that this country has increaſed in proſperity even under the preſſure of the war.

To what, under the protection and favour of Divine Providence, ſhall ſuch proſperity be aſcribed? To our naval ſuperiority and ſucceſſes; to our conqueſts in the Eaſt and Weſt Indies; to the acquisition of new markets; to the enterpriſing ſpirit of our merchants; to the improvements of our manufactures; to the energy of our countrymen in arts and in arms; to the union of liberty with law; to the national character cheriſhed by, and cheriſhing, the principles of our inimitable conſtitution—that conſtitution, which it has been the object of our enemies to deſtroy, by means and efforts utterly deſtructive to themſelves—that conſtitution, which it is the great purpoſe of our ſtruggles, in this juſt and neceſſary war, to preſerve and to maintain.

A comparative view of certain Public Circumſtances in the reſpective periods of 1783—4 and 1795—6.

| | | | | |
|--|----------------------------------|-----------------|--------------|----------------|
| Price of the 3 per cent. conſol. | Jan. 27, 1784 | - | - | 55l. |
| Ditto | May 2, 1796 | - | - | 66l. |
| Price of India ſtock, | Jan. 27, 1784 | - | - | 121l. |
| Ditto | May 2, 1796 | - | - | 201l. |
| Total value of Imports in 1783 | - | - | - | 13,325,000l. |
| Ditto | in 1795, including prize | - | - | } 22,175,000l. |
| | goods to the amount of 907,000l. | - | - | |
| Total value of exports in 1783 | - | - | - | 14,741,000l. |
| Ditto | in 1795 | - | - | 27,270,000l. |
| Value of Britiſh manufactures exported in 1783 | - | - | - | 10,409,000l. |
| Ditto | in 1795 | - | - | 16,526,000l. |
| Foreign produce exported in 1783 | - | - | - | 4,332,000l. |
| Ditto | in 1795 | - | - | 10,743,000l. |
| Cotton wool imported on the average of five years to | | | | |
| 1783 incluſive | - | - | - | 7,000,000lbs. |
| Ditto to 1794 incluſive | - | - | - | 28,000,000lbs. |
| Value of Britiſh merchandize exported to the Eaſt | | | | |
| Indies in 1783 | - | - | - | 621,921l. |
| Ditto in 1795 | - | - | - | 2,229,444l. |
| Net revenue of the different ſettlements of the Eaſt | | | | |
| India Company above the charges in | 1783 | - | - | None. |
| Ditto in | 1795* | - | - | 2,000,000l. |
| Amount of Eaſt India Company's ſales | 1783 | - | - | 3,363,800l. |
| Ditto | 1795 | - | - | 7,718,265l. |
| | | <i>Veſſels.</i> | <i>Tons.</i> | |
| Britiſh ſhips entered inwards, | 1783 | 7690 | | 812,960 |
| Ditto | 1795 | 10174 | | 1,262,568 |
| Britiſh ſhips cleared outwards | 1783 | 7729 | | 870,270 |
| Ditto | 1795 | 10133 | | 1,164,910 |

* This ſum was ſtated at 2,600,000l. It is now reduced in conſequence of a corrected eſtimate of the net revenues of the Preſidencies of Fort William, Fort St. George, and Bombay, for 1795—6, which was laid before the Houſe of Commons on the 6th of May.

| | <i>Vessels.</i> | <i>Tons.</i> | <i>Men.</i> |
|--|-----------------|--------------|--------------|
| Total number of ships belonging to the British empire in | | | |
| 1789 | 14,310 | 1,395,074 | 108,962 |
| Ditto 1794 | 16,802 | 1,589,162 | 119,194 |
| Amount of permanent taxes on a three years average to the 5th of January, 1784 | - | - | 9,876,000l. |
| Amount of the same taxes, after making all allowances for the intermediate changes and arrangements of the revenue, on a three years average to the 5th Jan. 1796 | - | - | 12,381,000l. |
| Navy debt outstanding and unprovided in December 1783 | - | - | 15,510,767l. |
| Ditto, 2d May, 1796 | - | - | 2,300,000 |
| Bank advances, April 5th, 1783 | - | - | 11,279,000l. |
| Bank advances, May 2d, 1796 | 11,132,000l. | | |
| Of which last sum provision has actually been made for funding | 5,030,000l. | | |
| | | | 6,102,000l. |
| Amount of outstanding debts and demands, and floating and unfunded debt, in January 1784 (exclusive of two millions to American sufferers, the debentures for which have since been discharged) | | | 27,000,000l. |
| Ditto, May 2d, 1796 | | | None. |
| Sinking fund in 1783. | | | |
| Ditto, May 2d, 1796 | | | 2,400,000l. |
| Amount of revenue (including the land and malt) below the computed expenditure on a peace establishment of 15 millions in 1783 | | | 2,000,000l. |
| Amount of revenue (including the land and malt) above the computed expenditure on a similar peace establishment, with the addition of increased charges for the debt incurred by the present war in 1795 | | | 3,400,000l. |

[An answer to this speech by the Earl of Lauderdale, will be found in the Report of the Proceedings of the 13th of May.]

The Earl of MOIRA said, that in the comparative statements given by the noble Lord, it was to be observed that he had chosen a

it was fit that the public should know the state in which we were, and the blind, dark course in which we were hurrying to ruin. The noble and learned Lord said, he could not see how our trade was for the time connected with the war. It was, however, extremely simple. The war had affected the manufactures of almost every part of Europe, France, almost all Germany, and Holland, had ceased for the time to attend to the pursuits of manufacture and trade, and for the time being we had engrossed the commerce of the whole; even France was clothed by England; but by the war, at the same time, the price of manufactures and the burdens on commerce would be made so enormous as to be fatal to their existence. The noble Lord (Auckland) had read a paper of comparative statements, to shew our present opulence. Why did he not shew the sum we had paid last year for discounts on Exchequer paper, as a part of our prosperity? The thing was unprecedented---We had paid 150,000l. for discounts only in 1794. But he had avoided going into the subject of finances because a gentleman in another place, who would one day contribute to their restoration, was to take up the business; and because a noble Earl, his friend, was to bring it before their Lordships. When he did so, though he might not be able to be present, his efforts would have his most hearty concurrence and approbation.

The Earl of LAUDERDALE said, he should on Tuesday next call their Lordships' attention to the state of the finances, as it appeared from the papers on the table; at which time he should animadvert on the statements read by a noble Lord, in which he had said that reckoning our future peace establishment at 15,000,000l. there would be a surplus of 3,600,000l. of annual revenue. He would be bound to prove that so far was this from being the case, that a very dark and gloomy deficiency would be found. As to our peace establishment being at fifteen millions, he could only say that the Committee of 1791, had only given us the hopes of its being 15,900,000l. and that experience had shewn the late peace establishment to be 16,800,000l. and he was afraid it would never be less, but on the contrary much more. All this however he would leave for the proper time.

The House then divided,

| | | | | | | |
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The Earl of LAUDERDALE then moved the House to be summoned for Tuesday, to a motion on the papers on the table.

Adjourned at half past twelve.

Tuesday, 3d May, to Monday, 9th May, inclusive.

No debate.

Tuesday, 10th May.

The Earl of MOIRA rose to remark, upon a statement of finance made by a noble Baron, not then in his place, (Lord Auckland.) If he understood that noble Lord's speech at the time, he had asserted, that upon the reduction of our expences to the usual peace establishment, the exceedings of the revenue would amount to three millions sterling, which it would be competent for the wisdom of Parliament to apply either by funding for the farther liquidation of the existing debt, or to the gradual reduction of the taxes resting upon the people. He had been in some respect delivered from any apprehension of having mistaken him, by reading the same assertion in a printed book or pamphlet, which he held in his hand, purporting to be an accurate report of the said speech of the noble Lord. The ambiguity he wanted to be cleared up was in the statement of the surplus, namely, whether it was calculated, supposing the funds provided for the gradual discharge of the burdens arising from the war adequate to that purpose, or whether any reference was had to exceedings, to which any part of the peace revenues were to be applied. But taking this either way, his Lordship could not but see great reason to question the accuracy of the statement. He had given the fullest consideration to the subject, and the result was by no means of so flattering a nature. He then examined the computation of Lord Auckland step by step; and from the very same statement of figures in the papers upon the table, was able to deduce a surplus no greater than 500,000*l.* to stand against the annual demand of 1,200,000*l.* applicable to the liquidation of the national debt. It was not from any despondency with respect to the resources of this country that he had drawn the present picture, unfavourable as it might seem; he well knew that the finances of the country were equal to every demand that could be made upon her; but he was desirous that there should be no delusion in the statements of such subjects, that a similar embarrassment might not befall us as had occurred in the year 1696 to King William, our glorious deliverer, who, if the History of Burnet was to be relied on, had been obliged to act upon the defensive purely during a whole campaign, because the expenditure had exceeded the revenue, which by false estimates had been calculated able to meet it.

Lord GRENVILLE expressed himself exceedingly sorry for the occasion which prevented the noble Baron (Auckland) from being in

his place, to answer the objections made by the last speaker, but as he was in possession of the same sources of information, and had also learned the sentiments of his noble friend, he was ready to meet the noble Lord on any one, or the whole of the accounts on their Lordships' table. His Lordship then began with the statement of the Committee in 1791. According to the report of that Committee, the peace establishment was estimated at fifteen millions and a half. How far the Committee was right in that estimate, was not for him at that time to contend, nor did he intend it, but he would call the attention of their Lordships to an estimate in that report not less flattering to their Lordships. When the Committee were called on to make that report, they did not foresee, nor could it be expected that they should, more than other gentlemen, that this country would be involved in the present expensive war. Yet the Committee, with that prudential and enlarged view of the resources of this country, stated the income of the nation at thirteen millions five hundred thousand pounds. What was the result? was this statement sanguine? he was happy to state that it was not. The income of the nation, arising from the permanent taxes only for the last three years of the war, amounted to near forty-two millions, which on an average of three years amounted to thirteen millions seven hundred and sixty-four thousand a year. Here his Lordship entered into a minute detail of the amount in each year of the customs, stamps, incidents and excise, in order to shew, that under all the peculiar circumstances of the present war, the taxes were productive, and that in almost every instance, they had exceeded the estimates; and that from the prospect of affairs, there was little apprehension of any deficiency.

The Earl of MOIRA said, that much time might be often saved in that House on questions of finance, if the question were confined to the papers before their Lordships; and nothing tended more to puzzle and embarrass, than to refer to accounts which were not, at the time of speaking, before their Lordships. This he conceived to be the case in the present instance. He was always disposed to pay the utmost attention to the candour of the noble Secretary in all matters, but his duty to the Public would not permit him to depart from that strict line of conduct which he had early marked out for the regulation of his parliamentary proceedings. He should not, therefore, follow the noble Secretary through all the detail of his accounts; he should only remark on a few plain points which presented themselves in the papers on the table. In the first place he would take those accounts merely as they stood, and for a moment suppose them perfectly correct. In those papers then, it was stated,

that the total amount of the taxes, including the land and malt, which latter was taken at two millions and a half, rose to eighteen millions and a half. What was the proposed peace establishment, stated by the Committee in 1791? fifteen millions and a half—was this all? No—the interest which was to be added to the permanent taxes, up to the 5th of April, 1795, in consequence of the present war, amounted to two millions and a half; this made the expenditure eighteen millions; and what provision was made in addition to this immense expenditure, for the annual million set apart for the extinction of the national debt, and two hundred thousand pounds above? This was not all, in the course of the present year the interest of seven millions borrowed was to be added, which he believed amounted to eight hundred thousand pounds, so that the whole put together would raise the peace establishment to twenty millions; and what was the income to meet this extraordinary expence, eighteen millions and a half. It was true, as had been stated, that the five hundred thousand pounds from the East-India Company, with a lottery estimated at three hundred thousand pounds, were not taken into the account of the taxes; and he thought the Minister acted prudently in keeping those two last accounts apart, for of all other resources, he considered them as the most precarious. As to the East-India Company, he did not know that they had paid a shilling of that sum in 1795, or that they intended to pay any of it in the present year. He hoped he had stated these few articles to the satisfaction of their Lordships. He wished, of all things, to avoid detail, and for that purpose he had confined himself merely to the accounts which had been laid on the table by Ministers themselves. There was a circumstance, however, which he could not pass over in silence. The noble Secretary (Lord Grenville) had boasted with much confidence of the returns of our taxes, and that they had in almost every instance exceeded the estimates. He was not fortunate enough to join the noble Lord in this opinion, for there were some strong facts that led him to form an opposite conclusion. New taxes rendered the old ones less productive, and this was not to be wondered at when the subject felt a succession of unexpected taxes, he would find himself under the necessity of consulting economy, and suiting his expences to his income—luxury would yield to convenience; and though this might not operate with all, it would, however, pervade the mass of the people. Here his Lordship took a view of the customs, and other branches of the revenue, in order to shew the defalcation in those channels, particularly the customs.

Lord GRENVILLE insisted, that the old taxes had kept up to the standard of their former returns to an astonishing degree; and that he was persuaded, from every circumstance, that they would continue to maintain it.

Lord HAWKESBURY followed Lord Grenville through his principal statements, in order to shew that his Lordship had not exaggerated the income of the nation. He referred to the length of time, during which the noble Marquis Lansdowne had been moving for papers upon subjects of finance, and when he had submitted his motion to the House, he found no charge for a sum advanced upon the subject, except of 30,000*l.* to the Dey of Algiers, and the principal part of his speech was directed against violations of some of the laws of Parliament; this indeed had extremely surpris'd him at the time, but he had only to wish that a day should be appointed, when the present subject might receive a full discussion, and he was eager to meet the noble Lord upon the inquiry. In the mean time he could not see that an attempt to depreciate the revenue of this country, could answer any good purpose. Our enemies, no doubt, would take every advantage of it.

The Marquis of LANDSDOWNE said, from the slight refusal which he had given a recent publication by a noble Baron, (Lord Auckland), he was persuaded it was a hasty production; for he was convinced, from the candour of that noble Lord, that, were it not so, he would have done him (the Marquis) the justice to have attended to the object of the motion of which he had given notice six weeks before; for the object of that motion was stated in every newspaper. He was so well acquainted with the intricacy of accounts, even amongst individuals, that it was rare to find six men to agree in them; Judges and Lawyers were so sensible of this, that they never attempted to fettle them, nor yet to send them to a Jury; they were always left to the merchants. If this was the case, then, in private accounts, what must it be with respect to the accounts of a great nation; and, he was persuaded, that it would be almost impossible to come at any issue on that subject in that House—for that reason, when he proposed to call the attention of their Lordships, it was to a more important point, it was to the Constitution and the laws of the land, which Ministers had violated, and not so much the arithmetical part of the question, or the amount of the taxes. He also reminded Ministers, that the papers to so large an extent which he had moved for, were given to the House after a considerable delay, and that some of them

had not been laid upon the table of the House until the very day when he had submitted his motion upon them. But that noble Lord's head (Hawkesbury) was so stocked with accounts, that he could speak of nothing but two millions and four-pence halfpenny, three millions and four-pence farthing, so that when that noble Lord was pressed in any argument, he ran through all the mazes of his groats and farthings; but his object was Principal, and not farthings---his object was to preserve the Constitution, and the laws of the land entire---and he was persuaded, when the English became English again, and shook off that torpor which seemed at present to benumb their faculties, that they would find their best security in confining the conduct of Ministers within the bounds of the Constitution. He did not doubt that noble Lord (Hawkesbury) would be ready to meet any Lord on the arithmetical part of the question of calculation, and that he would make a fine speech and shine in his detail of pence and farthings. The same noble Lord had stated that an attempt to depreciate the revenues of this country would hold out a certain degree of consolation to the enemy: he did not see how it could have that effect. If it should appear that our finances were not in that flourishing state they had been described, notwithstanding the lofty tones of Ministers, the people of this country would feel the fatal effects. He was certain for one, that by misrepresentation of puffing our finances beyond due bounds, we should render ourselves no great service with foreign nations; we should, in so doing, raise their envy, and induce them to believe that we were making strides towards an universal monopoly of commerce.

Lord HAWKESBURY said, he rose with some surprise at the strain in which the noble Marquis had delivered himself; when the question turned on figures, was he not intitled to bring forward calculations as well as any other noble Lord? He thought it a little extraordinary, however, that Ministers should be so unexpectedly called on to answer questions which they had no right to expect would be the subject of that day's discussion.

The Earl of COVENTRY thought it quite unnecessary to agitate any question relative to the future peace establishment of this country. We were at present engaged in a war: our object at the time ought to be to carry it on with vigour, in order to obtain an honourable and lasting peace. At present it was his Lordship's opinion, that our views ought to extend no farther: sufficient to the day was the evil thereof: our future peace establishment depended on contingency, which the clearest head could not calculate. For

instance, who could say what number of troops the French would insist on keeping on foot in time of peace.

The Earl of LAUDERDALE said, the noble Lord (Hawkesbury) should not complain of being taken by surprize; he should indulge his Lordship with a full and fair opportunity of replying to every remark that had been made, for this purpose he should bring forward a motion on the subject of the papers on the table. He wished to bring it forward on an early day; but as the whole expenditure of the present year could not be precisely known, till the Committee of Supply was closed in the other House, he should be obliged to defer it till then.

It was agreed that the House should be summoned on Lord Lauderdale's motion on Friday.

subject last session, he had dwelt so fully on the misconduct of Ministers, that he should now take up merely the leading points. The facts which he had to state were indisputable, and he should therefore not call for any papers. In the commencement of this war, whatever the conduct of the French may have been, our Ministers certainly shewed no desire of avoiding hostilities. They shewed, on the contrary, a strong aversion to peace. Had they acceded to a motion for sending a Minister to Paris, they would have saved to this country 50,000 lives, and at least 50 millions of money. They were anxious for war, and their pretexts were numerous and varied. They declared war "to save our Constitution."—It was not saved; it was now in fact suspended. They dwelt on the faith of treaties and on the preservation of Holland. The result of their

had approved of it; we, instead of trying to avert war, had rather courted it by our haughty conduct. Ministers had talked much of the impossibility, and the disgrace of treating with regicides, yet they had either deceived that House, or they had actually proposed treating with those very regicides. His Grace finished with saying, that he hoped, nay he was assured, that if the proud republicans, elated by the failures of their enemies, should venture to interfere in the internal affairs of the country, there was not one man in England who would not readily and eagerly aid in repelling and resisting them; not with a small pecuniary aid, nor by hiring mercenary soldiers, but with his life, and his whole fortune. He, for one, declared he would stand forth, at the risk of every thing dear to him, and endeavour to defend what was still left of our Constitution.

The question being loudly called for, the House divided:

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The House adjourned.

Wednesday, 11th May, Thursday 12th May.

No debate.

Friday, 13th May.

The House having gone into a Committee on the Longitude bill,

The Bishop of ROCHESTER rose to say he did not mean to oppose the bill, but to state his reasons for having occasioned a delay in its progress, by moving for its being printed. When the Board for encouraging discoveries respecting the longitude was instituted in the reign of Queen Anne, the sum of 2000l. was granted for the defraying necessary expences. This sum served till the 26th Geo. II. when the Board applied for a farther grant, stating the particulars of the expenditure of the former grant. They afterwards applied for 5000l. and on the whole, a sum of 38,000l. has been granted to that object; of which 34,000l. has been granted in the present reign. No doubt these sums were properly applied. He did not mean to insinuate the contrary. But he had to complain that the Commissioners of the Board had discontinued the practice of stating, on every new application, the particulars of the expenditure of the last grant. Five thousand pounds were granted in the present bill, for contingent expences; for, as to the reward to

be given for discoveries, those were the subjects of separate grants. The Board published a Nautical Almanack, and other papers of a like description; but these papers must pay the expences of printing, as they were bought throughout Europe, and ran through more than one edition. His imagination, therefore, had not been able to compass the probable causes of the expenditure of the Board: but, as he had already observed, there could be no doubt of the money being properly applied; and he only threw out these hints for the House, in the case of a future application of this kind—since it was necessary every expenditure of the public money should be fully and strictly accounted for.

The Earl of LAUDERDALE. Much as I am accustomed to address your Lordships, it is with truth I assure you, that in rising to call your attention to the subject I am about to discuss, I feel a degree of awe and anxiety which I have experienced upon no former occasion. It proceeds in a great measure from a sense of the importance of the subject; for, whatever difference of opinion may subsist between the noble Lords in office and me in other respects, I am convinced, that neither they nor any man, who has given the most transient attention to the papers before you, will differ from me in thinking, that a more important subject of discussion never was submitted to your Lordships' consideration. When we reflect on the manner in which the modern system of European politics has implicated the finance of every country with the nature and existence of its Government, the review of the comparative state of the public income and expenditure forms, perhaps every where, the most important object that can occupy the attention of the politician: but in this country, and in the critical situation in which we are involved by His Majesty's Ministers, without fear of contradiction I think I may affirm, that a more interesting subject of investigation never was presented to this House, nor to any other public assembly.

It is without affectation too, I assure your Lordships, that the feeling of anxiety, generated by a consideration of the nature of the subject, is in no small degree augmented by a sense of my own inability to execute the task. Unaccustomed till of late to attend to the minute details of finance, and compelled by a sense of duty to advance opinions in direct opposition to those who profess to have spent their lives in the study of this intricate science, who have established their reputation upon the idea of their possessing a fund of minute and technical knowledge on this topic; I should be confident indeed if I did not feel some apprehension in submitting my opinions to their criticism, and to your Lordships' consideration

There is one ground of apprehension, however, incident to those who address a public assembly, which I cannot at present feel: I mean the apprehension that arises from observing the anxious attention of a crowded audience; for when I contemplate the empty benches in your Lordships' House*, and compare this circumstance with the importance of the subject on which you are this day summoned, I cannot help remarking, that a more disgraceful neglect of public duty never was exhibited upon any occasion. I fear it unfortunately proves, that there are many in this House who can have paid no attention to the very serious and interesting matter which is contained in the papers on your Lordships' table; and demonstrates with too great a certainty, that there are those amongst us whose habits have deprived them of all anxiety for the fate of their country; for it is with shame I reflect, that at the moment when you are here honouring me with your attention to calculations which so nearly concern every individual among us, so large a portion of the hereditary guardians of the people's welfare are employing their faculties of calculation to estimate the exact minute when, uninformed themselves, and uninstructed by the information of others, they may quit the frivolous pursuits of luxurious indolence to compliment the Minister with a vote—with one of those confidential votes, a uniform succession of which is perhaps the cause of the fatal calamities this country has now to lament.

Much indeed have we heard of plots and conspiracies, of the dangers attending the form and frame of our Constitution, from pamphlets, public meetings, and corresponding societies: but it is such conduct on the part of your Lordships that I consider as alone pregnant with real danger to the state, and as tending to undermine in the minds of the people of England all respect for the Houses of Parliament, all veneration for the ancient forms of our Constitution.

It was my wish not to have introduced any topic extraneous from the immediate object of our debate: but I could not, consistently with my duty, be a witness to the state in which I see your Lordships' House on this occasion, without remarking upon the apathy, perhaps the profligacy, of which this attendance exhibits but too evident a proof.

Before I proceed to call your attentions to the papers which were moved for by my noble friend †, a recollection of the mode in which his conduct was commented upon in this House, and of the authen-

* At this time only twenty-four Peers were in the House.

† The Marquis of Lansdowne.

tic manner in which these comments have been since handed to the public, makes it necessary to state to your Lordships the futility of the insinuation, that the noble Marquis did not in his motion agitate the subject you were lead to expect, and to explain to you the reasons why it falls to my lot to discuss before you the expences of the present war, and the debts and revenues of this kingdom.

It must be in the recollection of your Lordships, that the first and principal object held out to you by the noble Marquis, when he originally mentioned this subject in your House, was the departure from that system of arrangement and economy so strongly enforced in the Reports of the Commissioners of Accounts. When he arraigned the measure, it was natural for him to wish to present to your Lordships' view, and the public consideration, the consequences that ensued from it. It was in this point of view that my noble friend moved for the papers on your table, that you might see the fatal effects of the departure from those regulations, and of the contempt of those salutary restraints which the forms of Parliament and the law of the land have placed on the public expenditure. But when he saw the extent of the materials on the table of the House, he judged, and judged well, that to comprise the whole of the subject in the discussion of one day would have been inconsistent with that desire he had of exhibiting to the public, in the clearest and most distinct point of view, topics so materially interesting to the welfare, perhaps to the existence, of the State. The division my noble friend adopted was that which naturally presented itself:—to discuss, in the first instance, the causes of our calamities; and, in the second, to exhibit the effects they have produced. As the more important consideration, he called your attention to the first of these subjects; I regret, for the sake of the public, that the partiality of my noble friend has placed the second in my hands. This arrangement however of the business was the course that prudence would have dictated to any man; and it must have more forcibly suggested itself to the noble Marquis, who could not but recollect the pains and the attention which he, as well as the late Marquis of Rockingham, bestowed, at the close of the American war, on the means of preventing such abuses in future; who must have seen with astonishment, the total deviation from that solemn pledge which he, in conjunction with the present First Lord of the Treasury, gave to the public in the speech which they put into the mouth of their Sovereign in the year 1782*.

* "I must recommend to you an immediate attention to the great objects of the public receipts and expenditure, and above all, to the state

The topics my noble friend upon that day discussed before your Lordships, though flippantly undervalued in the commencement of the speech given to the public by the noble Baron*, were of the most grave and important nature. The neglect of the measure recommended by the Commissioners of Accounts; the total contempt of the Appropriation act; the new institution of barracks; of a Secretary of State's office; a Transport Board, and the additional appointments in every department; the unparalleled amount of extraordinaries in the army and navy, are subjects of such a nature, that to lessen their consequence in the public estimation, was an attempt as bold as it will be inefficacious. But the noble Lord, not choosing to meet my noble friend upon such an investigation, quarrels with certain expressions and opinions, which he feels it "a sacred duty incumbent on him to resist, as far as God has given him faculties." These opinions, however, I must observe, with all due respect for the faculties bestowed on him, it will be difficult for him to controvert. My noble friend stated, "that our trade was reduced to a dependance on the very warfare which is fundamentally destroying it; and that our resources were so exhausted, as to force us to the wretched expedient of reviving taxes which were a few years since repealed:"—propositions, which the noble Baron did wisely to dismiss with epithets, rather than to controvert by argument.

It would indeed be difficult to overthrow opinions which must pervade the minds of the people, when they reflect that the war

of the public debt. Notwithstanding the great increase of it during the war, it is to be hoped such regulations may be still established, such savings made, and future loans so conducted, as to promote the means of its gradual redemption by a fixed course of payment. I must, with particular earnestness, distinguish for your serious consideration, that part of the debt which consists of navy, ordnance, and victualling bills: the enormous discount upon some of these bills shews this mode of payment to be a most ruinous expedient.

"I have ordered the several estimates, made up as correctly as the present practice admits, to be laid before you. I hope that such farther corrections as may be necessary, will be made before the next year. It is my desire that you should be apprised of every expence before it is incurred, as far as the nature of each service can possibly admit. Matters of account can never be made too public."—King's Speech, December 5th, 1782.

* Lord Auckland.

expenditure of last year * amounts to a sum almost equal to the total value of both the imports and exports of this country in the year 1787; and when they recollect, that since the commencement of the present war, taxes have been laid on commodities on which the duties had been lowered, to the extent of ONE MILLION NINE HUNDRED AND FIFTY-TWO THOUSAND POUNDS †. Yet in the speech given to the public, with little more than a few exclamations of disgust at the opinions of my noble friend, is all that mass of important matter, detailed to you upon a former occasion, passed over without animadversion. I confess it excites my curiosity, to see whether the noble Lord will this day as flippantly condemn, and as superficially investigate, the less important considerations which it falls to my lot to submit to you.

* WAR EXPENCES, 1795.

| | | | |
|--|--------------|------------------------------|--------------|
| NAVY. | | ARMY. | |
| Estimate | £.6,055,523 | Estimate | £.8,610,390 |
| Navy debt incurred 1795, about | 7,500,000 | Deduct Landgrave's debt | 68,850 |
| Received for the service of the navy from the vote of credit | 171,373 | Extraordinaries 1795 | 8,541,540 |
| | | Received from vote of credit | 5,057,731 |
| | | | 2,200,000 |
| Total navy | £.13,726,896 | Total | £.15,799,471 |

ORDNANCE.

| | |
|------------------------------|-------------|
| Estimate | £.1,436,804 |
| Exceeding sea service 1795 | 102,421 |
| Ditto land service 1795 | 762,046 |
| Received from vote of credit | 40,000 |
| Total ordnance | £.2,341,271 |

Total navy, army, and ordnance, £.31,867,438.

The war expences 1795 was stated by Lord Grenville as not exceeding twenty-six or twenty-seven millions.—By Lord Auckland loosely at a much smaller sum.

† Taxes that have been laid on various articles during the war, on which the duties have been lowered for the sake of revenue during the last peace.

| | |
|---------------------------------|-------------|
| 1794 Additional duty on Spirits | £.243,000 |
| 1795 Ditto taken for | 259,000 |
| Upon tea £.7 10 per cent. | 180,000 |
| On wine | 500,000 |
| 1796 Tobacco | 170,000 |
| Wine | 600,000 |
| | £.1,952,000 |

My Lords, it is only when compared with the subject my noble friend brought before you, that, in speaking on the detail of our finances, I can think of using the term *less important*. For those who have considered how fatal to the interior policy of every Government derangement in finance has proved; who recollect the conspicuous share which it had in producing the fall of the Roman empire; and who have seen its recent effects in the origin and progress of the French revolution, must sympathize with me in saying, that there is no subject I can consider more interesting, except the causes that have fatally produced the gloomy prospect which the unpleasant duty of this day will oblige me to display.

We in this House are accustomed to hear noble Lords in office dilate upon a subject, which, on my conscience I believe, there is no one in this country but themselves who would think of introducing: I mean *the advantages this nation has acquired in the present war, and the successes that have attended our arms*. But, I believe, even amongst them, there is not one who will be disposed to compare our successes with those of the French in the war ending with the peace of 1783; yet the derangement of their finances (created in the moment of their greatest prosperity, exhibiting a deficit smaller than what I am afraid truth will compel me to state to your Lordships as existing in this country) levelled a prouder nobility than that I have the honour to address, and a clergy in power and opulence far surpassing those I see before me. When we look back to those times, we derive also, from a recollection of the situation of this country, lessons that ought to be useful to us at the present moment. Was it the success of the French arms that reduced us almost to sue for peace to the enemy? No, my Lords; there is no man who does not remember, that, to the credit and honour of our navy, at no period of our history were its successes more brilliant and glorious. The fatal and careless profusion in our expenditure, which distinguished that period, was in reality the sole cause of the humiliating situation of that day. Amongst the many who then loudly censured the extravagance and profuse expenditure, there was none who with more relentless and unforgiving rancour condemned the conduct of those who had occasioned it, than the present Minister. From his affected purity, from the solemn pledges he had given in the Report of the Committee of the House of Commons on finance, of which he was a Member, and in the speech made by His Majesty in the year 1782, when he was a Minister, we had reason to expect something more of caution and economy in the conduct of our expenditure. Unfortunately however for this country, the evils then complained of, and principally

centured, have in this war been carried under his auspices to an extent unparalleled in the annals of that æra. The money voted by Parliament on estimate in the last three years of the war, has not only far exceeded what was voted in the first three years of the war with France, Spain, Holland, and America; but that expenditure, by means of votes of credit and extraordinaries, so much centured as the cause of our difficulties, has been carried to a far greater and more alarming excess. In three years ending 1780, the total estimated expence of the army, navy, and ordnance amounted to the sum of TWENTY-SEVEN MILLIONS ONE HUNDRED AND SIXTY THOUSAND POUNDS. In the three years including 1795, the expence voted by estimate amounted to THIRTY-FIVE MILLIONS FIVE HUNDRED AND FOURTEEN THOUSAND POUNDS*.

| * Money voted on Estimate in the Years 1778—9—80. | | Money on Estimate in 1793 | |
|---|---------------------|--------------------------------|---------------------|
| 1778. | | 1794—5. | |
| Army | £.3,432,096 | Army | £.3,630,694 |
| Navy | 4,001,895 | Navy | 3,396,915 |
| Ordnance | 382,816 | Ordnance | 729,453 |
| | <u>7,816,807</u> | | <u>7,757,062</u> |
| 1779. | | 1794. | |
| Army | 4,013,189 | Army | 5,627,755 |
| Navy | 4,589,069 | Navy | 5,525,531 |
| Ordnance | 395,439 | Ordnance | 701,736 |
| | <u>8,997,697</u> | | <u>11,854,822</u> |
| 1780. | | 1795. | |
| Army | 4,384,693 | Army | 8,410,390 |
| Navy | 5,403,284 | Navy | 6,315,523 |
| Ordnance | 458,136 | Ordnance | 1,176,804 |
| | <u>10,346,113</u> | | <u>15,902,717</u> |
| Total 1778 | 7,816,807 | Total 1793 | 7,757,062 |
| 1779 | 8,997,697 | 1794 | 11,854,822 |
| 1780 | 10,346,113 | 1795 | 15,902,717 |
| | <u>£.27,160,617</u> | | <u>£.35,514,601</u> |
| Money without Estimate in 1778 | | Money without Estimate in 1793 | |
| 1779—80. | | 1794—5. | |
| 1778. | | 1793. | |
| Army | £.2,200,223 | Army | £.1,647,616 |
| Navy | 2,172,033 | Navy | 3,273,375 |
| Ordnance | 521,936 | Ordnance | 701,281 |
| | <u>4,894,192</u> | | <u>5,622,272</u> |

But the excess is proportionably much greater in the money expended without an estimate being previously submitted to Parliament; for we have the mortification to see, that the total amount of unestimated expence in the three years ending 1780, was nineteen millions one hundred and seventy-four thousand pounds; whereas in the three years ending 1795 it had risen to the enormous sum of thirty-one millions three hundred and eighty-six thousand pounds, making an excess of upwards of twelve millions in this latter period, expended in the manner which was stated as so alarming, and which is considered by the best-informed men who have treated upon the subject, as so destructive of all parliamentary control and constitutional principles*.

| 1779. | | 1794. | |
|------------|---------------------|------------|---------------------|
| Army | 3,026,137 | Army | 5,603,968 |
| Navy | 3,182,271 | Navy | 3,590,232 |
| Ordnance | 501,466 | Ordnance | 1,291,348 |
| | <u>6,799,874</u> | | <u>10,485,548</u> |
| 1780. | | 1795. | |
| Army | 3,418,806 | Army | 7,257,730 |
| Navy | 3,514,750 | Navy | 7,008,940 |
| Ordnance | 547,182 | Ordnance | 1,012,240 |
| | <u>7,480,738</u> | | <u>15,278,910</u> |
| Total 1778 | 4,894,192 | Total 1793 | 5,622,272 |
| 1779 | 6,799,874 | 1794 | 10,485,548 |
| 1780 | 7,480,738 | 1795 | 15,278,910 |
| | <u>£.19,174,804</u> | | <u>£.31,386,730</u> |

* Extract from the Report of the Committee of the House of Commons 1782, of which Mr. Pitt was a member. Vide this Work, vol. 7.

“Your Committee cannot help observing, that the enormous amount of extraordinaries in the foregoing account, incurred without the consent of Parliament, is an abuse of the most alarming nature, enabling Ministers to deceive the nation, by keeping back the great expence of the war, and concealing thereby the extent of its engagements. It has been stated by Parliament, when the object was inconsiderable to what it was at present, as a dangerous invasion of the rights, and little differing from levying money without the consent, of Parliament. The debt is not only incurred, but paid also, by the sole authority of the Minister, and that too out of money appropriated to other services, leaving no option to the House when the account comes before them.”

Extract from Hatfel's Precedents of Proceedings on the House of Commons, title SUPPLY.

“There was a degree of negligence or extravagance, or both, in those who had the conduct of the war department, which rendered all the

The consequences have been such as we might naturally expect. In proportion as the neglect of forms and the relaxation from the regular parliamentary mode of providing for the public expenditure have increased, the enormous expence of the war, in which we have been involved, has augmented: the expences of the American war up to the year 1781 amounted to the sum of fifty-three millions; but we have now to regret, that in the prosecution of the present we have already created an addition to our funded debt of ninety-three millions, and loaded the people of this country, oppressed with taxation, with the additional sum of four millions five hundred thousand pounds annually*.

Under these circumstances it was with astonishment I heard detailed to your Lordships, with surprize I have seen handed to an oppressed people, a consoling statement of certain public circumstances in the years 1795—6, when compared with the years 1783—4. On the fairness of the selection of the year 1783 for such a comparison I shall have much to say to your Lordships: at present I shall only remark, that whether fair or unfair, it was admirably suited to the convenience of the noble Lord who made the statement. Had he selected any of the years during the last war, we should have been able to have quoted his own authority for the flourishing situation of the finance at that time (notwithstanding the

votes of the House of Commons, or bills for appropriating the supplies, ridiculous and nugatory. The sums demanded upon the head extraordinary of the army incurred and not provided for, during this period, fell not very much short of the whole sum voted by Parliament upon estimate for that service; nay, in the year 1782 they appear to have actually exceeded them. This was such a shameful prostitution of the money of the public, that, though perhaps the distance, and magnitude, and nature of the American war might be pleaded as some alleviation and excuse for the Generals abroad who commanded, or for the Ministers at home, who ought to have controled these commanders, nothing can justify the House of Commons who permitted this practice to continue uninterrupted through several sessions; and whose more immediate duty it was to have examined into the contracts and other services pretended to have been performed, and to have pointed out and punished those frauds and abuses which were afterwards with no great difficulty detected by the Commissioners of Public Accounts."

* Amount of the taxes which have been laid upon the people during the course of the present war.

| | | | |
|--------|------------|---|--------------|
| Budget | 1793 | — | £. 287,000 |
| | 1794 | — | 911,000 |
| | 1795 | — | 1,644,000 |
| | Dec. 1795 | — | 938,000 |
| | April 1796 | — | 740,000 |
| | | | £. 4,520,000 |

calamitous state to which we know our revenue was soon reduced), and to have contrasted it with the opinions he holds on the state of the finance at present. In the year 1789 the noble Lord taught us to believe, "that the rise in the excise and customs, evincing the extent of home consumption, implied an increasing produce and a quick circulation; and that every known criterion as well as every external appearance concurred in proving the quantity of money within the country to be unusually great*." In the year 1783, however, the noble Lord passed a transient moment with us in opposition; and the impresson under which his notes of that day were formed, whilst it renders them convenient for his present purpose, will perhaps account for the sort of statement he has produced. For though the noble Lord declares "that it was not his wish, even if he had power to accomplish it, to lead you or the public into opinions of the situation of the country more favourable than the truth would justify;" I must assert that a statement more strained in its items, more calculated to deceive by its result, never was exhibited upon any occasion.

He begins by calling your Lordships' attention to a comparison of the price of 3 per cent. consols at these two periods. Perhaps it may occur to you, that as he selected the 2d of May 1796, he might have looked at the price of stocks on the 2d of May 1783, before he proceeded to state the price of 3 per cents January 1784. Perhaps you may with me think, that in the beginning of this comparative statement he might have at least suggested, that in May 1783 the price of 3 per cents actually was 68. But I am sure you will agree with me in thinking, that in contrasting the price of India stock at these two periods, he exhibits to us consistency, and displays a continuation of the same disposition to fairness, in totally neglecting to state, that in May 1783 the price of India stock was 138; and the East-India Company, authorised by Parliament, and enabled by the sums of money called in from the proprietors, have since that period increased their dividend $2\frac{1}{4}$ per cent. So that, if the increase arising from the additional dividend was taken from the present price of the stock, it would leave it on the 2d of May 1796 somewhere about 168; and instead of exhibiting an account of India stock 1784 at 121, and in May 1796 at 209, he must have suggested that the price of India stock was 138, and that, independent of the augmentation of dividend, it could not be fairly stated in May 1796 at more than 168.

The noble Lord next proceeds to state to you the increase of ex-

* See Lord Auckland's Letter to Lord Carlisle.

ports and imports that has of late years taken place. I know it is a favourite doctrine to build conclusions on the state of our commerce and revenue upon this ground; but I much doubt the solidity of them. Without commenting on the known and avowed inaccuracy with which these accounts, more particularly that of our exports, are formed, there is much in the present circumstances of the country, and in the reduced trade of our enemy, that leads me to think it a temporary and not a permanent augmentation; and there is no person who has considered with accuracy the public accounts before you, who can think that it proves any thing with regard to the probable state of the revenue. The total value of the exports and imports in 1795 exceeds the total value of the exports and imports in 1791 by seven millions; but instead of finding that there has arisen from this any increase of revenue, the taxes existing in 1791 have fallen short in the year 1795 to the extent of upwards of eight hundred thousand pounds.

With regard to the cotton wool, the importation of which has so much increased, one would have imagined that, in this instance at least, the fact might have satisfied the noble Lord: but instead of five millions of pounds, which he states to be the annual importation for five years, I think I can say from some authority, that the importation in 1783 was seven millions eight hundred thousand pounds; and that the average importation of the five preceding years exceeded considerably seven millions of pounds.

On the noble Lord's statement of the exports of British merchandize to India, I have only to say, that if I recollect right, the exports of British merchandize 1795—6 were computed at one million one hundred thousand, instead of two millions two hundred thousand pounds. I must also on the subject of the East-India revenues quote the right honourable gentleman at the head of the Board of Control, in opposition to the noble Lord. By him the net produce of India revenue was estimated in the year 1795 at one million four hundred thousand pounds; though the noble Lord, with a systematic perseverance in that fairness with which his comparative statement is formed, estimates it at two millions six hundred thousand pounds. Without entering, however, into any minute details of the affairs of the East-India Company, to which I certainly have paid no great attention, let me only suggest to the noble Lord, and to the public, that the improvement made in the stock, per computation, amounts since the year 1783, as appears by the papers before Parliament, to the sum of two millions seven hundred and sixty-five thousand pounds: the receipt of the com-

pany from the proprietors during that period is nearly five millions*:—a circumstance which gives no very favourable impression of the great improvement in the affairs of the East-India Company since the year 1783.

The next subject to which the noble Lord has adverted, is a comparison of the amount of the permanent taxes on a three-years average to the fifth of January 1784, with what he calls the amount of the same taxes, after making all allowances for the intermediate changes and arrangements of the revenue, on a three-years average to the 5th of January 1785. The former he states to be nine millions eight hundred and seventy-six thousand pounds; the latter, twelve millions three hundred and eighty-one thousand pounds. I should have conceived that, if in other respects this species of comparison had been unexceptionable, it might have occurred to the noble Lord that the public could see no great cause of triumph in the revenue of the country producing something more in the three first years of this war, with all the improvements in our manufactures, than it did in a period of three years when we were reduced by a six-years war, the most general in which this country was ever engaged, and before the tide of commercial transactions could have resumed its wonted channels.

But it requires little examination indeed to discover, that this article in the noble Lord's comparative view of circumstances, is framed in the spirit which animated him in forming for your Lordships' information those on which I have already had occasion to comment.

The existing taxes before the American war, on an average of nine years to Michaelmas 1782 †, produced eight millions one hundred and forty-four thousand pounds. In the the year ending

| | |
|--|-------------|
| * Stock per computation 1796—Balance in favour of the Company | £.6,734,264 |
| Ditto 1783—Ditto | 3,968,481 |
| <hr/> | |
| Increased balance in favour of the Company | £.2,765,783 |
| <hr/> | |
| Received by the Company in 1788 on an increased capital of £.800,000 at 195 per cent | 1,240,000 |
| Ditto—1789 on ditto £.1,000,000 at 170 per cent | 1,700,000 |
| Ditto—1793 on ditto £.1,000,000 at 200 per cent. | 2,000,000 |
| <hr/> | |
| | £.4,940,000 |
| From that take £.2,765,783 the increased balance as above | 2,765,783 |
| <hr/> | |
| | £.2,174,217 |

† See Dr. Price's Postscript to his State of the Public Debt 1783.

Michaelmas 1782, the produce of the same taxes was seven millions eight hundred and ninety-seven thousand pounds; and in one year ending Michaelmas 1783, they produced only six millions nine hundred and thirty-three thousand pounds. Thus, in the commencement of the three years with such impartiality selected for this comparison, we find that the produce of the old taxes had decreased two hundred and forty-six thousand pounds below their produce on an average of the nine antecedent years. And towards the conclusion of these favourite three years the produce of the same taxes fell short one million two hundred and ten thousand pounds. In one respect I think it was inconsistent with the noble Lord's circumspection and prudence to call your attention to the produce of the taxes at this particular period. For when the public recollect, that this great diminution of upwards of one million in the produce of the revenue happened immediately on the conclusion of the last peace, perhaps they may anticipate with some degree of dread what will be the probable situation of our revenue, when the prejudices of our Ministers can be so far subdued as to engage them to restore peace to this exhausted country. Before I quit this article, I must also observe to your Lordships, that the noble Lord ought, for your satisfaction and that of the public, to have given some explanation in what manner these allowances were made for intermediate charges and arrangements in the revenue, which he had in his contemplation when he states the produce of the taxes existing in 1784 to amount in three years ending January 1785 to upwards of twelve millions. I am disposed to press this the more, because I believe that if proper allowances are made for the excise on wines in 1786, and the consolidating the customs in 1787, for the increase on home and British spirits, in carrying into effect the treaty with France, farming the post-horse tax, excise on tobacco, diminution on the charges of management at the Bank and South Sea House, together with the effects of the smuggling act, the commutation and manifest act, it will be difficult, or rather impossible, to defend the statement he has made.

The next consoling circumstance which we are called to contemplate is the navy debt in December 1783, and on the second of May 1796. The first is stated by the noble Lord to be fifteen millions five hundred thousand pounds, the last two millions three hundred thousand pounds. How this sum is obtained, or can be fairly stated as the existing navy debt, I confess myself at a loss to discover. The sum left unprovided for on December 31st, 1795, is equal to the existing navy debt in December 1792, which I think I recollect was somewhere about two millions

seven hundred thousand pounds. The bills registered on the course of the navy, between the 31st of December 1795 and the 31st of March 1796, as appears from the papers on your Lordships' table, amount to the sum of two millions eight hundred thousand pounds*. But if the noble Lord, instead of selecting the 2d of May 1796, had made the comparison between the navy debt outstanding December 1783 and December 1795, it would have presented to your Lordships' eye, and that of the public, a very different account. You would have seen that, if at the former period it was fifteen millions five hundred thousand pounds, it amounted at the latter to thirteen millions eight hundred thousand pounds; and if he had chosen by anticipation to have given your Lordships a view of what may be the probable state of the navy debt in December 1796, if it increases in the same proportion in which it appears to have increased by the papers before you during the first three months of the present year †, it will then, together with what was left unprovided for at the end of last year, amount to the sum of thirteen millions nine hundred thousand pounds. Indeed the noble Lord must himself know, that in selecting the 2d of May 1796, he has chosen almost the day of the year the most favourable for this strange comparative account of the navy debt which he has exhibited.

In the comparison the noble Lord has made of the Bank advances to the public, afraid left in any one instance the year 1783 should have the advantage, however inconsiderable, of the year 1796, he has provided himself with a private account of the amount of advances May 2d 1796; for if he had confined himself to the various documents before Parliament on this subject, he would have been obliged to have stated to you that the advances made by the Bank amounted on the 12th of September 1795 to the sum of

| | |
|---|-------------|
| * Navy debt left unprovided 31st of December 1795 | £.2,745,91 |
| Navy bills registered before the 31st of March 1796 | 2,822,389 |
| | <hr/> |
| Total | £.5,568,300 |

Navy Office, 22d April, 1796.

An account of navy, victualling, and transport bills, registered since 31st December, 1795.

| | |
|-------------------|------------------|
| Navy bills | £.1,017,230 12 8 |
| Victualling bills | 1,049,395 11 6 |
| Transport bills | 755,763 10 4 |
| | <hr/> |
| Total | £.2,822,389 14 6 |

Examined R. P.
A. S. Hammond, Wm. Rule, Geo. Marth, Geo. Rogers, W. Palmer,
W. Bellingham.
2 Z 2

eleven millions eight hundred thousand pounds; on the 9th December 1795 to the sum of twelve millions two hundred thousand pounds; and on the 31st of December to the sum of eleven millions six hundred thousand pounds: in every instance exceeding the amount of the advance in 1783. In stating the advances of the Bank in the year 1783, the noble Lord has not explained whether he included the navy bills at that time in possession of the Bank. If he did, your Lordships will easily see that, to make the comparison with any degree of fairness, there must be a farther sum added to balances in 1795 equal to the amount of the value of navy bills at that time in the possession of the Bank.

My Lords, the next article in this account exceeds every thing on which I have hitherto had occasion to remark: it is to me as unintelligible as it is impossible for me to comprehend how any man can presume to come forward with such a statement to your Lordships or the public. The unfunded debt is represented as amounting in January 1794 to twenty-seven millions—May 2d 1796 it is stated as nothing. What then has become of the balance of eleven millions due to the Bank, which the noble Lord has antecedently stated to you? Has he totally forgotten, or can he expect that you will forget, that after all his strained ingenuity in frittering down the existing navy debt, he has confessed that the sum due May 2d 1796 is two millions three hundred thousand pounds? But let me once more entreat your Lordships' attention to a plain statement of what would have been the shape of the account, if the noble Lord had selected for his comparison the same month in 1796 he had chosen in 1784. In January 1796 the articles of navy debt, bank advances, arrears due to the army, and the deficiency of the consolidated fund, as appears from the accounts on your table, alone amount to twenty-seven millions five hundred thousand pounds*; exceeding by five hundred thousand pounds the total of the outstanding unfunded debt in January 1784; which your Lordships will permit me to remind you was after the conclusion of a six-years war of notorious and reprobated extravagance.

The sinking fund is the next object to which your attention is called. In 1783 you are told there was no sinking fund; in 1796 you are informed it amounted to two millions five hundred thousand

| | | |
|-------------------------------------|-----------------|--------------------|
| * Bank advance, | December 1795 | £.12,275,386 |
| Navy debt, | December 1795 | 13,000,000 |
| Arrears due to the army, | January 1, 1796 | 1,065,576 |
| Deficiency of the consolidated fund | | 1,200,000 |
| | | Total £.27,540,962 |

pounds. If at either period a sinking fund is talked of to hold out an idea of surplus, it can only tend to deceive. In 1783 there was a thing called a sinking fund; and in 1796 there is a thing called a sinking fund; but in reality, instead of possessing any surplus in the former year, there was a loan of twelve millions; in the latter, two loans amounting to twenty-five millions five hundred thousand pounds. And allow me in passing, to remark to your Lordships, that notwithstanding the vaunting statement which has been made to the public of the low rate of the interest at which money was this year borrowed; as far as I can judge from a cursory view of the budget in 1783, the public was loaded with a smaller permanent interest for the twelve millions borrowed by Lord John Cavendish, than for the first loan negotiated this year—though in this latter period taxes were also imposed for the purpose of providing a sinking fund, of one shilling and sixpence for every hundred pounds borrowed.

I now come to the concluding and undoubtedly the most important article in this comparison. The noble Lord states "the amount of revenue (including the land and malt) below the computed expenditure on a peace establishment of fifteen millions in 1783 at two millions. And the amount of revenue (including the land and malt) above the computed expenditure on a similar peace establishment, with the addition of increased charges for the debt incurred by the present year 1795, three millions four hundred thousand pounds." This statement derives its importance not so much from the comparison it exhibits, as from the fact it advances, that if we were fortunate enough now to experience the blessings of peace, there would be an actual surplus of three millions four hundred thousand pounds. Before however I proceed to exhibit the fallacy which this holds forth, I must detain your Lordships by remarking on the form of the proposition and on the nature of the premises. I am disposed to censure the form of the proposition, because it holds out to you, for the first time since the sinking fund has been established, that its produce is to be deemed a surplus disposable like any other surplus at the will of Parliament; instead of considering it, as it hitherto has been, and, I trust, for the welfare and the credit of this country, ever will be treated, as forming as much a part of our necessary expenditure as the navy, army, or ordnance. With the premises upon which this proposition proceeds I cannot agree; for I can conceive nothing more calculated to delude, than to state to this country that there exists a possibility of our peace expenditure amounting to so small a sum as fifteen millions. The noble Lord must know that the Committee of the

House of Commons, in the year 1786, reported that the peace establishment, including the sinking fund, would be fifteen millions four hundred and seventy-eight thousand pounds; and the Committee saw no prospect of the affairs of the country being in such a situation as to get upon this peace establishment till the year 1791, that is, the eighth year after the conclusion of the late war. But when the year 1791 arrived, the noble Lord knows that another Committee of the House of Commons declared they did not conceive a possibility of forming a peace establishment that should cost less than about sixteen millions annually; and that instead of foretelling the period, as the former Committee had done, when the country could confine its expenditure within so narrow bounds, they did not even pretend to foresee the time when our expences could be so far diminished. When the noble Lord states fifteen millions to you as your probable peace establishment, he knows also, or he ought to know, that the average annual amount of our expence from the year 1786 to the year 1791, as stated in the Report of the House of Commons, was sixteen millions eight hundred and sixteen thousand nine hundred and eighty-five pounds; and that in reality I might state it at a much larger sum without fear of contradiction*. Yet in the face of all these facts, without any wish,

* NATIONAL EXPENDITURE.

| | | | |
|--|-----------------|------------|-----------|
| Civil List, interest of the national debt, and million for purchase of Stock, 5th Jan. 1786, | | | |
| to 5th Jan. 1787 | Interest | 9,277,407 | 16 1/2 |
| | Civil list, &c. | 966,983 | 4 3/4 |
| | 1/2 of million | 750,000 | 0 5/4 |
| | | 10,994,391 | 0 5/4 |
| Ditto, 5th Jan. 1787, | | | |
| to 5th Jan. 1788 | Interest | 9,276,661 | 5 11 1/2 |
| | Civil list, &c. | 990,088 | 0 4 1/2 |
| | Million | 1,000,000 | 0 0 |
| | | 11,266,749 | 6 4 |
| Ditto, 5th Jan. 1788, | | | |
| to 5th Jan. 1789 | Interest | 9,276,221 | 16 2 1/2 |
| | Civil list, &c. | 1,001,759 | 0 2 3/4 |
| | Million | 1,000,000 | 0 0 |
| | | 11,277,983 | 16 5 1/4 |
| Ditto, 5th Jan. 1789, | | | |
| to 5th Jan. 1790 | Interest | 9,283,108 | 0 3 3/4 |
| | Civil list, &c. | 1,009,573 | 11 8 |
| | Million | 1,000,000 | 0 0 |
| | | 11,292,681 | 11 11 3/4 |
| | Carried forward | 44,831,802 | 15 2 3/4 |

as he states*, to lead you into opinions more favourable than the truth will justify; the noble Lord holds out the prospect of your entering on an immediate peace establishment of fifteen millions, at a time too when he multiplies with certainty that the increased half pay of the army and navy, the expences incident to barracks, the various new profuse arrangements in all the departments, the establishment of a third Secretary of State, instituted for the purpose of accommodating one noble Lord, and telegraphs erected with a permanent establishment for the amusement of another noble Lord, must occasion an additional expenditure of at least five hundred thousand pounds annually.

| | | | |
|---|-----------------|------------|--------------------|
| Ditto, 5th Jan. 1790, | | | |
| to 5th Jan. 1791 | Interest | 9,289,625 | 7 2 1/2 |
| | Civil list, &c. | 1,007,385 | 16 6 1/4 |
| | Million | 1,000,000 | 0 0 |
| | | 11,297,011 | 3 1/2 8 3/4 |
| Interest on tontine and long annuities | | | 42,862 1/2 |
| Interest on 5,500,000l. | | | 55,171,675 18 1/2 |
| Exchequer bills, 1786 | | 223,455 | 2 11 1/2 |
| 1787 | | 145,786 | 8 4 1/2 |
| 1788 | | 181,419 | 6 7 1/2 |
| 1789 | | 186,714 | 14 2 1/2 |
| 1790 | | 176,768 | 13 7 |
| | | 914,144 | 15 8 |
| Navy, army, ordnance, and miscellaneous services from 1st Jan. to 31st December | | | 57,085,820 4 1/2 7 |
| 1786 | | 5,522,176 | 17 11 1/2 |
| 1787 | | 4,682,420 | 15 7 3/4 |
| 1788 | | 5,389,756 | 13 2 3/4 |
| 1789 | | 5,302,441 | 3 10 3/4 |
| 1790 | | 5,340,383 | 3 9 1/2 |
| | | 26,238,178 | 14 5 3/4 |
| Deficiency of grants in 1785 made good in 1786 | | 127,138 | 3 2 1/2 |
| Ditto voted into sinking fund | 1786 | 1,285,064 | 18 3 1/2 |
| Ditto, ditto | 1787 | 1,435,392 | 15 4 1/2 |
| Ditto, consolidated fund | 1788 | 578,732 | 14 7 1/2 |
| | | 3,426,328 | 11 6 |
| Ditto, mint 1786 and 1787 | | 17,000 | 12 6 |
| | | 86,767,328 | 3 1/4 |

Average expen liture for five years £.17,353,465.
* See printed Speech, page 18.

Having stated to your Lordships my objection to the premises, on which is founded the assertion, that there will exist in the event of an immediate peace a surplus of three millions four hundred thousand pounds; I must now beg to call your attention to the explanation given of the conclusion which has been drawn. I lament indeed, when a noble Lord* on a former day stated to this House the grounds he had for not agreeing in thinking that there could possibly exist such a surplus, that the unfortunate absence of the noble Baron† deprived me of an opportunity of hearing his explanation. I have, however, to rejoice that I heard the explanation of the Secretary of State‡, authorized by him to deliver it, as well as that of another noble Lord, whose character for knowledge on these points made it more particularly interesting §.

To the noble Secretary of State I will recapitulate the explanation he then gave on the subject of the surplus stated by the noble Lord: instead of estimating the future produce of the taxes by the actual receipt of this year, he chose to take an average of the three years ending the 5th of January 1796: to this, which amounts to thirteen millions five hundred and forty two thousand three hundred and three pounds ||, he added one hundred and twenty-eight thousand pounds, the produce of the old tax on bills and receipts included in the papers on your table during all the three years, in the receipt of the new duties; and twenty-three thousand three hundred and thirty-three pounds, the third of seventy thousand pounds, the amount of the old paper duty, included in the statement before you in the new taxes of last year; and forty thousand, the third of one hundred and twenty thousand pounds paid last year as bounties

* Lord Moira. † Lord Auckland.

‡ Lord Grenville. § Lord Hawkebury.

| | | | |
|--|--------------|--------------------------|--------------|
| Receipt of permanent Taxes for three Years, to January 1796. | | | |
| 1794 | £.13,813,290 | } Average of three years | £.13,542,303 |
| 1795 | 13,674,892 | | |
| 1796 | 13,138,727 | | |
| To this add duties on bills and receipts included in new taxes | | | |
| during all these three years | — | — | 128,000 |
| A third of old paper duties, and of bounties paid to seamen | | | |
| out of the customs during the last year | — | — | 63,000 |
| Share of a 53d week | — | — | 32,000 |
| Land and malt, as estimated by the committee | — | — | 2,558,000 |
| Estimated produce of a lottery | — | — | 250,000 |
| Sum expected from the East-India Company | — | — | 500,000 |
| | | | £.17,072,000 |

to seamen, which, though undoubtedly received at the Custom House, does not appear in the gross receipt on your table. This, together with thirty-two thousand pounds, the share of the fifty-third week, he stated as amounting to thirteen millions seven hundred and sixty-four or five thousand pounds: to this the noble Lord added two millions five hundred and fifty-eight thousand pounds, the produce of the land and malt tax, as estimated by the Committee of the House of Commons; he also took into his account two hundred and fifty thousand, the estimated produce of an annual lottery, and five hundred thousand, annually expected from the East-India Company: which makes in all, the sum of seventeen millions and seventy-two thousand pounds; presenting to your Lordships an excess of upwards of two millions above the supposed peace establishment, and forming, with the interest of nineteen millions, the sum already purchased by the sinking fund, together with the new sinking fund established during the war, the boasted surplus of three millions four hundred thousand pounds. Now, my Lords, I must beg your indulgence in offering a few observations on the propriety of the noble Lord's adopting an average of the three last years, for the purpose of computing the probable receipt of the ensuing year. Averages, in forming all calculations, ought alone to be resorted to when, from casual fluctuations, the revenue to be ascertained is sometimes diminishing and sometimes increasing; but when from a permanent cause you see an uniform and gradual diminution, no inference from an average produce of past years can lead to a just conclusion concerning the receipt of the future. Yet the papers on your table not only prove that the revenue has fallen off from year to year, but even from quarter to quarter; as the total amount of the revenue for the last year, made up to the 5th of January, exceeds by nearly a hundred thousand pounds the produce of the year ending the 5th of April. Rejecting therefore this appeal to averages, I must submit to your Lordships, that when we perceive this gradual and constant diminution, the more accurate mode of estimating the produce of a future year would be to suppose, that as the same cause exists, a diminution may probably take place in the next year proportionable to that which took place in the last. Calculated on this principle, the total receipt of the old taxes will only amount to twelve millions six hundred and twenty-three thousand five hundred and eighty-three pounds; to which if you add the share of the 53d week, the various sums arising from old duties included in the new taxes in the statement now on the table, and the bounties paid to seamen out of the customs, the probable produce of the revenue, including the land and malt, as estimated by the Committee, will

be fifteen millions five hundred and thirty-one thousand five hundred and eighty-three pounds *; and this, my Lords, is the total of what I think I can fairly state to the Public, independent of the new taxes, as applicable to the future peace expenditure. For I cannot lay aside all regard to the morals of the lower class of people in this metropolis so much as to look forward to a permanent annual lottery; and I cannot forget what past experience has taught me, so far as to build with any degree of certainty on the receipt of that five hundred thousand pounds from the East-India Company, which has never been received but once, and which the Minister at the head of the Board of Control annually tells you it would be imprudent in the highest degree to demand.

In offering to your Lordships my conjectures concerning our future expences, I must remind you that I have already stated my reasons for thinking it absurd to speak of fifteen millions as our probable expenditure if the blessings of peace were restored to us, and the grounds on which I conceive that the lowest estimate I can with justice make of our last peace establishment is not what the Committee fancied it would be, but what it actually proved to be on an average of five years, sixteen millions eight hundred and sixteen thousand pounds †. In estimating, however, our future expenditure, we must add the sum of two hundred thousand pounds annu-

* Total receipt of the taxes, if the diminution in consequence of the war is as great during the present year as it was during the last

| | |
|---|-------------------|
| £. 12,623,583 | |
| To which may be added a share of the 53d week | 33,000 |
| Included in the new taxes what was formerly produced by taxes on bills and receipts | 128,000 |
| Old duties on paper, included in the new taxes | 70,000 |
| Bounties paid to seamen out of the customs | 120,000 |
| Land and malt as estimated by the committee | 2,558,000 |
| Total probable receipt of revenue, exclusive of the taxes laid on during the war | 15,531,583 |

† Total expence incurred in five years under the heads of interest, charges of the national debt; interest of exchequer bills; civil list; charges on the aggregate and consolidated funds; navy; army; ordnance; militia; miscellaneous services; appropriated duties, and annual payment to the sinking fund.

| | | |
|-------------------|---------------|--------------------------|
| For the year 1786 | £. 16,720,543 | } Average £. 16,816,985. |
| 1787 | 16,620,783 | |
| 1788 | 16,800,790 | |
| 1789 | 17,030,204 | |
| 1790 | 16,912,597 | |

ally voted for the sinking fund, and a sum of at least five hundred thousand pounds additional peace establishment, which the increased half-pay of the army, and all the various new establishments I have enumerated, must render absolutely necessary. Your Lordships will then perceive, upon the supposition that the new taxes produce a sufficiency to defray the expence for which they were imposed, the annual peace expenditure being seventeen millions five hundred thousand pounds, and the annual receipt only fifteen millions five hundred thousand pounds, there will be a deficiency of two millions. But I am convinced that many of your Lordships must have examined the papers on your table too carefully not to discover, that there is in reality a large deficiency in the produce of the new taxes. When laid on, they were estimated to produce two millions eight hundred and forty-two thousand pounds; and on a cursory examination you may imagine, from the papers before you, that they have actually produced rather more than that sum. I am certain, however, that with a view to ascertain the fair annual produce of the new taxes, you will agree with me in thinking that we must take from the sum stated in the account, three hundred and fifty thousand pounds, the duties received on the stock of wine in the hands of the trader; a hundred and twenty-eight thousand pounds, the produce of the old taxes on bills and receipts, now included in the new duties; and seventy thousand pounds, the produce of the old paper duties, which are in the same situation. Your Lordships will then see that there is a deficiency in the new taxes exceeding five hundred thousand pounds; which, added to the two millions, makes in all a probable deficiency of two millions five hundred thousand pounds. This must be provided for, could we suppose that we have already borrowed a sufficiency, if peace should be restored in the course of a few months, to discharge the necessary expence in winding up the concerns of the war; but I am afraid there is no reason to indulge such a hope. I am convinced that your Lordships must, on the contrary, think that I mention a sum far inferior to what will in reality be required, when I state the probability of ten millions more being found necessary. I am sure there is no man who examines the papers on your table, and sees that you have spent in the first quarter of this year for the service of the army the sum of eight millions two hundred thousand pounds, and that you have contracted navy debt to the extent of two millions eight hundred thousand pounds, who will hesitate in pronouncing that a much larger sum than ten millions will be required*. This, how-

* See Paper No. 1.

ever, if borrowed at the same interest with the loans of this year, will create a farther deficiency of upwards of six hundred thousand pounds: making in all a deficiency to the alarming extent of three millions one hundred and nineteen thousand pounds. Large as this sum may appear, I wish I could even stop here; but when I know that the expence of the war last year exceeded the sum of thirty-one millions, and that it is impossible, in a country where every species of property is so largely taxed, that money can be expended without contributing to the revenue, I must call your attention to the probable effect on the revenue of withdrawing the war expenditure. I know this idea has been attempted to be ridiculed; but till some of your Lordships will deign to show the possibility of the smallest expenditure taking place in this country without augmenting the revenue, I must continue to believe that a very large sum, even of the present diminished receipt, arises from the expences occasioned by the war, and that a formidable diminution must take place when it is withdrawn. Is this all theory and speculation? Or are there not practical proofs of the truth of what I assert? I can hardly suppose the noble Lord selected the year 1783, to compare against the year 1796, rather than the year 1781-2, or any of the antecedent years of warfare, without examination. He, I doubt not, had discovered that the taxes fell, on withdrawing the expenditure of the American war, far above a million annually: yet the war expenditure never then much exceeded twenty millions; at present it considerably exceeds thirty millions: the permanent taxes were then little more than ten millions; at present they are much above fifteen. Should the revenue now diminish in proportion to the excess of the expenditure and the excess of the permanent taxes as there is but too much reason to apprehend it will, this would create a farther deficiency of upwards of two millions five hundred thousand pounds. But if it only amounted to the sum of fifteen hundred thousand pounds; that, together with the sums I have already stated, will create a deficiency of no less than four millions six hundred thousand pounds: an alarming prospect of the situation of the country, but such as I cannot help thinking is authorised by reason and supported by proof, and such as I am not afraid to submit to your Lordships and to the Public. If unfortunately the present calamitous contest be protracted for another year, it must make a melancholy addition to this statement: we shall then be under the necessity of providing for a sum equal to the war expenditure of the preceding year, which must occasion a farther

addition to the burdens of the people of this country of nearly two millions.

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| * Average annual expenditure during the last peace from the year 1786, to the year 1791 | 5,16,816,985 |
| Sum annually voted for the sinking fund for which there is no provision | 200,000 |
| Additional peace establishment at least | 1,500,000 |
| Total probable amount of revenue exclusive of the taxes laid on during the war | 17,516,985 |
| Deficiency on the supposition that the new taxes actually produced what they were taken for | 1,905,400 |
| Taxes for the year 1793-4-5 given for the sum of | 2,842,000 |
| Produced, as appears from the papers, in one year, ending April 5, 1796 | 2,828,367 |
| To which add a quarter's receipt on stamp duties, ship policies, &c. which have been only collected for 3 quarters of a year | 28,397 |
| From this take duties received on account of stock of wines on hand | 350,000 |
| Allowed to the old taxes out of the receipt of new | 128,000 |
| Ditto on paper duties | 70,000 |
| | 2,308,764 |
| Deficiency of the new taxes 1793-4-5 | 533,236 |
| Interest on a loan of ten millions, if borrowed on the same terms with the loans of the year | 617,500 |
| If the taxes fall, on withdrawing the present war expenditure, a sum exceeding their failure on withdrawing the American war expenditure, proportionable to the excess of expenditure, and also to the excess of the permanent taxes, their failure would amount nearly to two millions eight hundred thousand pounds; but this is stated only as likely to be | 1,400,000 |
| Total sum for which it is to be apprehended taxes must be found, should an immediate peace be made | 4,636,136 |
| If another year war, taxes must be found to provide for the interest of thirty-one millions, being a sum nearly equal to the war expenditure of last year, which if borrowed at the same interest with the loan of this year will be about | 1,900,000 |
| Probable sum for which taxes must be found, should there exist another year's war as expensive as the last | 6,536,136 |

Though I have felt it my duty, my Lords, to make this statement to your Lordships, which I am afraid neither you nor the public can reasonably pronounce exaggerated; yet, in the resolutions I shall have the honour to submit to this House, I do not mean to propose to you any thing that can be deemed of an hypothetical or speculative nature, however just I may consider the grounds for such speculation. Most of the resolutions only recite facts upon which there can be no difference of opinion. The noble Lords and I cannot differ about the amount of the debt contracted during the present war. Concerning the extent of the sum voted exclusive of the civil list, or the amount of the permanent taxes which the present war has rendered it necessary to levy, there can be no dispute. I am persuaded that all must agree in supposing a loan of ten millions will be necessary, over and above what is already provided for winding up the enormous expences of the war. I believe your Lordships, on an examination of the accounts upon your table, will find reason to apprehend that a much larger sum will be necessary. Your Lordships and the Public know, that you are in the annual habit of passing a bill for two hundred thousand pounds to the sinking fund, for which there is no provision; and I scarcely expect, after the details which have been submitted to you, that there is any person who will dispute the necessity we shall be under of an increased peace expenditure to the extent of five hundred thousand. The average annual expenditure of five years, as stated in the resolutions, cannot be contradicted: it is taken from the Report of the Committee of the House of Commons in 1791.

But if these facts are clear and indisputable, the inferences drawn in the resolutions are such as I am convinced your Lordships cannot with propriety reject; for in calculating the probable amount of the revenue you will perceive that I have estimated the produce of the taxes in the most favourable mode that could possibly be adopted; that I have even gone the length of supposing, notwithstanding the immense diminution in our productive capital which the expences of the war must have created, that the taxes may produce upon the return of peace a sum equal to their average produce for four years to 1793; and that I admit that the new taxes of this year will produce the sum at which they have been estimated. Yet even in this most favourable mode of considering the subject, the conclusion is still inevitable, that there will be a deficiency of

one million nine hundred and forty-three thousand five hundred and seventy pounds.

I have stated in the resolutions the expected produce from the lottery, and the five hundred thousand pounds which it is supposed we shall receive from the East-India Company: but as I cannot myself build my conclusions either upon such mischievous or fanciful sources of revenue, I leave it for those of your Lordships who have so far lost all regard for the morals of the people as to think of a permanent lottery, or who, in defiance of past experience, are still so sanguine as to fancy that 500,000l. will be received from the East-India Company, to draw the inference which the receipt of those sums would justify. Let me however remark, that even on the supposition that the taxes would produce a sum equal to the average of their produce during the last four years of peace; that the new taxes should produce to the extent of the sum for which they were given; that the East-India Company should pay the five hundred thousand pounds that is expected; and that the lottery should be adopted as a permanent source of revenue; there will be a deficiency of upwards of one million, instead of a surplus of three millions four hundred thousand pounds which has been talked of to the Public.

My Lords, I am perfectly sensible, that in discussing the state of our revenue before your Lordships I subject myself to much ca-

RECEIPT.

Produce of the taxes ending 5th April 1796, deducting the occasional payment for wine, and adding a quarter's receipt on the taxes collected only during three quarters £.1,560,285
 Improvement supposed to take place on the return of peace, if the old taxes produce as much as they did on an average of four years antecedent to the war 757,480
 Estimated produce of the taxes of the present session 1,678,000
 Land and malt as estimated by the committee 2,558,900
£.20,596,765

EXPENDITURE.

Establishment during the last peace on an average of five years, ending 5th January 1791 10,816,984
 Sum annually voted to the sinking fund 200,000
 Interest on a loan of 10,000,000l. 600,000
 Additional peace establishment 500,000
 Interest payable on the money borrowed during the war 4,423,351

£.22,540,335

lummy. I know there are those who will assert that such statements can only serve as an encouragement to our enemies, who will consider it as likely to promote in them an inclination to continue this unfortunate war; or to insist upon unreasonable conditions of peace. To prevent the calumnies of the malicious is impossible; but I should be sorry indeed not to feel satisfied in my own mind that the source of every insinuation of this description must be evident. Can we really suppose, if the situation of our revenue was even more desperate than the circumstances of the case have authorised me to state to your Lordships, that our enemies would from thence conclude our exertions were likely to be diminished in war? No, my Lords, the French of all nations are the last who can think that derangement of finance can impede exertion against external enemies: they must have benefited little indeed by the experience of their own situation for the last three years, if they can flatter themselves that derangement or even the ruin of successive systems of finance can check the exertions of a country against its enemies. Whilst I have therefore the happiness to think that by such investigations I can do no injury, I have the satisfaction to feel, that by laying open the situation of the finances of the country I have the prospect of doing much good. For if in this age we have learnt that derangement of finance constitutes no impediment to the exertions a nation may display against its enemies, we have had awful experience of the fatal effects attending it on the interior government of a country. It is to the Public, who are in possession of this knowledge, I wish, through the statement I have made, to appeal; for, from the Minister I expect nothing. He indeed has had the direction of the revenue at a time when he might have done more honour to himself, and entailed more important benefits on his country, than any man ever had an opportunity of doing. But who can reflect upon the management of the finances of this nation without regretting the infallible evidence of incapacity it exhibits — without feeling for the ill-placed pusillanimity that prevented some of those taxes which the war has rendered necessary from being brought forward at the commencement of the last peace — a measure that would have insured to the country all the benefits it must have derived from adopting those improved plans for liquidating the national debt submitted to the Government by the late Dr. Price. But the timidity that prevented the imposition of taxes for the beneficial purposes of extinguishing the debt, has totally vanished when the mischievous expences of warfare are to be provided for. Annual additions have been made to that sinking fund which it was thought formerly impracticable to augment; leaving us but too just

reason to conclude, that however the Public may look forward to it as affording the only probable prospect of future relief to the people of this country from the oppressive taxes to which they are subjected, the Government of the country regard it as an engine by which they may with the greater facility augment our debt, and consequently increase our burdens. That it has this effect is certain. No man can look at the price of our funds, at the sums of money which have been borrowed, and the interest which has been paid for it, without being convinced of the operation of the sinking fund in this point of view. In wise, in cautious hands, who could be encouraged to involve the country in none but expences of absolute necessity, and those conducted with frugality, this might be considered as one of the most advantageous circumstances of this financial system; but it affords a melancholy object of contemplation to perceive, that the favourite point of view in which our Ministers regard it, is the facility it gives the carrying on with unprecedented profusion a contest, which, as it derived its origin from their prejudices, owes its continuation to their pride and obstinacy. In the hands of a rash and unthinking artist, the perfection of the machinery only enables him to do the greater degree of mischief; and it is that your Lordships and that the Public may be convinced of the extent of the mischief already done, that I recommend to your most serious consideration the following resolutions:

1. That it appears to this House, that the amount of the funded debt incurred during the present war is 93,846,000l.
2. That it appears to this House, that the sum voted for the service of the present year (exclusive of the civil list and interest of the national debt) amounts to 33,262,360l.
3. That it appears to this House, that the amount of permanent taxes imposed during the present war is 4,423,351l.
4. That it appears to this House, that a sum of ten millions must, on the conclusion of the war, be raised, for the discharge of arrears and other incumbrances, the interest of which, including the provision to be made by the 32d of Geo. III. c. 55, will amount to 600,000l.
5. That it appears to this House, that the sum of 200,000l. is annually voted by Parliament to be added to the fund for the reduction of the national debt.
6. That the probable increase of the peace establishment, at the conclusion of the present war, will amount to 500,000l.
7. That the annual peace expenditure, calculated on an average of five years, ending 5th January 1791, and including the sum

annually applied to the reduction of the national debt, amounted to the sum of 16,816,984l.

8. That it appears to this House, that the above-mentioned sums of 16,816,984l. — 500,000l. — 200,000l. — 600,000l. — and 4,423,351l. making together the sum of 22,540,335l. must be provided for, as the lowest future peace expenditure which can be estimated, even supposing the war to conclude with the present year.

9. That it appears to this House, that the total produce of the taxes for the year ending the 5th of April 1796, deducting an occasional payment for the stock of wine on hand, amounted to 15,603,285l.

10. That it appears to this House, that the estimated produce of the new taxes imposed in the present session is 1,678,000l.

11. That it appears to this House, that the land and malt taxes are calculated by a Committee of the House of Commons to produce the sum of 2,558,000l.

12. That it appears to this House, that, calculating the amount of the taxes existing previous to the war to produce the same on the return of peace, as they did on an average of four years immediately preceding the war, an improvement in the present revenue may be expected to the amount of 757,480l.

13. That it appears to this House, that the above-mentioned sums of 15,603,285l. 1,678,000l. 2,558,000l. and 757,480l. making together the sum of 20,596,765l. afford the only resources at present existing, which can be stated as applicable to the future peace expenditure, and that the sum of 1,943,570l. (being the difference between the future peace expenditure, estimated as above at 22,540,335l. and the future peace income, estimated as above at 20,596,765l.) will remain to be provided for.

14. That it appears to this House, that the sum of 500,000l. is annually due from the East-India Company to the Public, provided that a certain surplus profit arises to the said Company, after discharging the whole of their regular payments; but that no payment on the above account has been received by the Public, since the 1st of April 1794.

15. That it appears to this House, that a lottery may be estimated to produce a sum of about 250,000l.

Lord AUCKLAND, in answer to the noble Earl, said, that their two statements were certainly most materially different, and he felt pride in the distinction. While the noble Earl's statements were calculated to give spirit and hopes to the enemies of the country, his were only of a nature to give consolation and confidence to the people of Great Britain. He would not, he said, enter into a

criticism on the statements of the noble Lord, but would content himself with defending his own, and which indeed would be a complete answer to the whole. The noble Lord then went over his former statement, for which [See the proceedings of the 2d May, in which his Lordship's statement is given at length.] The noble Lord found fault with his not taking corresponding periods, but surely it was not material whether they were taken to a day. The principle of the comparison remained the same. The noble Lord had said that nothing but the unparalleled exertions of the people could have baffled the ruin in which they must have been involved by the profligacy and exorbitant demands of Ministers. He admitted that the exertions of the people had been great and unprecedented; nay, he would go farther, and admit also, for the sake of argument, that the profligacy and exorbitant demands of Ministers would have been attended with the most ruinous consequences, if they had not been counteracted in that manner; but what was the result after all this argument? It must be admitted that the country had been indebted to Ministers for calling forth the activity and industry of the people, and that by those means we were still furnished with resources for our unavoidable expences. He next insisted that the nett revenue of the East-India Company, in 1795, was 2,600,000l. and if taken upon the average of the last three years, 2,700,000l. while in 1783 it did not rise above charges. The noble Lord had asked why he did not state the Navy Debt at 11,000,000l. instead of 2,300,000l. since that was the amount of it in last December? He granted that it was so in December, but as 8,700,000l. had been since provided for, he thought it both reasonable and fair to take the statement he had given.

The noble Lord had inveighed against him as if he had been desirous of misrepresentation for having taken the actual amount of the outstanding unfunded debt in 1783, at 27,000,000l. and the present at *nil*. Yet the fact was nearly so, and the small error he had discovered, did not warrant the observations he had made. He now came to the Sinking Fund, which, if taken at 2,600,000l. he contended was below the mark, and he still contended also that by this valuable operation, if it should be persevered in, the whole of the National Debt would be paid within two and forty years from the present time, and within twelve years would produce 4,000,000l. to ease the people of the taxes, but as the taxes might with all probability be estimated at only 3,700,000l. the remainder would be applied to the reduction of the debt, and paying off the expences of the war.

As to the Peace Establishment, it could not be supposed that he could state what the subsequent expences might be, but he thought he had taken it upon a reasonable calculation in comparison with the average of the Peace Establishment of former years, when he computed it at 15,000,000l. With the million, therefore, provided for the Sinking Fund, and the 3,600,000l. clear surplus in the receipts of the Revenue above the actual expenditure, making a sum of 4,600,000l. he apprehended we should be completely competent to provide for any increased establishment without recourse to farther imposts. The average produce of the Revenue of permanent taxes for the war amounted to 13,732,000l. and hence he had every reason to infer that after we arrived at peace, the revenue of permanent taxes would be full as productive as in 1793. So that reckoning after the war for—

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|------------------------|-------------|
| Permanent Taxes | £15,550,000 |
| The Land and Malt | 2,500,000 |
| The Lottery | 250,000 |
| The East-India Company | 500,000 |
| Consolidated Fund | 3,600,000 |

We should have the annual sum of £22,400,000, inclusive of the 1,000,000l. provided for the Sinking Fund.

He did not wish to detain their Lordships any farther. He thought he had given a fair answer to the noble Lord, and had but one observation more to offer upon the long statement the noble Lord had made with respect to the expences of the war. The noble Lord had compared the expences of the present war with the expences of the American War, and stated that 100,000,000l. would be added to the National Debt by it. We had not yet arrived at the end of the war, and therefore it was impossible to state what might be the whole amount of the expences of it; but without entering into any comparison between the two wars, he thought the sum and conclusion of the argument could apply only to the extent and general nature of the present war, which consequently called for more extensive operations, and a larger expenditure. We were not fighting, as formerly, about the common objects of contention among nations, but we were fighting for our laws, our liberties, and our religion, our property, and even our existence. We were fighting against barbarians that we might not become barbarians ourselves, and our very existence was involved in the contest.

The Earl of MOIRA said, after the able detail which the noble Lord (Lauderdale) had entered into, he should not have occasion to trouble their Lordships at length. He joined the debate reluctantly,

but he joined it in consequence of what had just fallen from the noble Baron, because he conceived the noble Baron had made use of such expressions as would operate in a very dangerous manner—expressions which had unfortunately been too often used, and too inviolently repeated, but which, he apprehended, must be soon exploded—as it might be fatal to continue the illusion. He regarded that as the most manly and the safest policy which looked distinctly at objects, and decided dispassionately and without prejudice. He wished their Lordships and the noble Baron, therefore, to look distinctly at the situation of this country, to look distinctly at her difficulties, and to seek for remedy and for resources, lest they should defer their consideration to a period, when they might not be able to apply them.—He wished to advert to one point solely, for if he attempted to introduce new matter it would lead him from the argument, and leave no end to disputation. He wished the noble Lord (he begged his pardon, he meant to say the noble Baron, though perhaps he spoke by augury when he called him noble Lord), he wished the noble Baron to adhere to that point of the argument which stated that the taxes would produce an amount to answer the expences of the war. This he doubted very much, and thought it folly to look at the Peace Establishment of former years as an estimate of the future. He desired the noble Baron and their Lordships to remember that of all years to estimate upon, the year 1791 was the most improper, because the revenue had suffered a diminution in the receipt of the permanent taxes this year as taken in comparison to that to the amount of 3,500,000l. and taken during the whole of the war to a sum above 1,000,000l. The noble Baron, however, had consoled himself and their Lordships, by remarking that in case the permanent taxes should not be sufficient, so great were the exertions of the people, and so unexhausted our resources, that we were yet able to furnish other imposts. In answer to this he would remind the House—

“You may call spirits from the vasty deep,
But will they come when you do call them?”

They might lay fresh burdens on the people, but he was apprehensive that the distress which those additional imposts would create, would finally destroy the sources of their produce. Such has been the effect already to a certain degree in the Customs. If the receipts of the Customs in 1796 were compared with 1786, and from that year to 1791, they would be found to have suffered a decrease very serious; in the lowest statement of comparison, to the amount of 300,000l. and in the highest to 800,000l. Such

was the quality and bearing of the imposts now, and what they might be hereafter was too melancholy to conjecture. In the noble Baron's statement of the Sinking Fund, he found he had deviated from the touchstone on the table, alluding to the papers there; and yet he made that statement the ground of his argument for the prosperity of the country. Reckoning the permanent taxes at 16,000,000*l.* on the square calculation, the Land and Malt 2,000,000*l.* which would make 18,000,000*l.* and the Lottery and money to be paid by the East-India Company at 3,000,000*l.* more, he did not think the revenue would be paramount, nor even competent to the expenditure. The noble Baron computed the Ordinaries of the Peace Establishment at 15,000,000*l.* Now it had been argued, and argued upon reasonable grounds, that it would be impracticable to bring the Ordinary Expences within the sum of 15,000,000*l.* Ordinaries were in general so invariable in their nature as to admit of an easy and almost exact calculation, except in some instances of the Ordnance, Victualling, and Transport Service, when calculating upon those three articles alone from 1786 to 1791, the excess had been found to amount to 800,000*l.* He did not include the expence of the armament in this amount, because special taxes were provided for it. He desired to have it remembered, that he argued upon facts, and that he argued upon nothing *prospectively*. From these facts established by the papers on the table, it appeared then, that in the years between 1786 and 1791, the Ordinary Expences amounted to fifteen millions and a half, leaving out the expences of late incurred by building barracks, to which were to be added two millions and a half of funded debt, making upon the whole a sum of eighteen millions and a half. Now, how was this balanced? On the other side there was the usual revenue of 15,000,000*l.* with half a million increase of taxes to be put against it, to which was to be added, the million of the Sinking Fund, making a provision of seventeen millions and a half. Still there remained, however, a million to be provided, for which there was only the 500,000*l.* of the East-India Company. He recollected the surplus of the Lottery, but desired their Lordships to recollect also what farther sums remained to be provided for. 7,500,000*l.* had been borrowed to provide for the funding of 4,500,000*l.* of Navy Bills, and 3,500,000*l.* of Exchequer Bills, and there remained 500,000*l.* to be provided for, and there were 300,000*l.* more for which no provision was yet made. He now asked, whether this statement was more to be relied upon than that of the noble Baron? and if it was, then it was evident that the expences did amount to more than the revenue.---The

noble Baron relied upon the competency of the funds, and the fortitude and patience of the people, to satisfy additional demands; but he advised the noble Baron, if such were really his ground of reliance, to shew himself more accurate in future in the statement and the explanation of the public accounts; for upon the first blush he found his calculations loose and inconsiderate. He did not suppose the noble Baron had attempted to delude the public, but suspected he had entered into calculations too precipitately, and thereby had deceived himself.

Lord HAWKESBURY rose to controvert the principles of the noble Lord, in his reference to the Customs, and alledged that his mode of calculation was disguised. The way in which he proposed to controvert these principles, was by looking at the taxes, and taking the average of the permanent revenue. He objected to taking last year into the comparison, on account of many circumstances, which operated to diminish the annual production of the permanent revenue. First, the distilleries, although they were not then restrained by Act of Parliament, from working, had in a great measure ceased to do so, on account of the high price of grain. Secondly, the malt-breweries were checked by the same cause, and thirdly, the immense distress of the community, occasioned by the excessive high price of provisions in general, had a bad effect on the revenues, though at the same time he bestowed his commendation on the people, for the temper and the spirit with which they struggled through these unforeseen, inevitable difficulties. These were the reasons, he observed, why the revenues of the last year ought not to be compared with those of 1791. To these the drawbacks upon fugars, amounting to a considerable sum, might be added; and of all the new taxes in 1794 and 1795, few except that upon wine were subject to pay duties.

He now came to the interest of the debt, and the one per cent. capital. The amount of the taxes and the estimate, in the first year of the war, were nearly equal. In the second year of the war the taxes were more than the estimate, though some did not begin till March, till April, and July, and what the produce of the taxes of the present year might be could not be yet precisely told, though he had every reason to believe they would be both competent and productive. As to the estimate of the Peace Establishment in 1791, he remarked that it was not the declaration of a Committee in the usual way, but of a Committee sitting in judgement upon one that had preceded it. What the Peace Establishment after the present war would be, it was idle to prognosticate, because it depended on the security and permanency of the treaty; but whatever

it might be, the Sinking Fund would continue to be paid, together with the interest of 3,500,000*l.* at 4 per cent. amounting to 140,000*l.* more. He had great pleasure in observing the strength and vigour of our resources. One per cent. was paid less for interest last year than during the former wars. All public works continued to flourish in an extraordinary degree. In 1792, the year before the war, no more than nine and twenty Navigation Bills were passed, and last year there were forty-seven, and but one hundred and nine Enclosure Bills were passed in 1792, and last year there were two hundred and seventeen. Our trade, contrary to what usually was the case, had increased, although we had no commerce with France, which formerly amounted to 800,000*l.* although our commerce with Flanders was impeded, which formerly amounted to 1,100,000*l.* and although our commerce was destroyed with Holland, amounting to 1,600,000*l.* Deprived of these resources, still our commerce had increased, and by the wonderful activity and energy of our merchants, although it was shut out of one source, it had forced its way into other channels. Instead of being blamed, he thought that Ministers should be commended for bringing forward the whole of our burdens as they did, and for providing the capital of one per cent. They had moreover anticipated a provision for funding 4000,000*l.* more of Navy Debt, and had adopted such measures, that the 27,000,000*l.* of the unfunded debt for peace was now provided for. This appeared to him to be the real state of our finances. If he deceived their Lordships, he was deceived himself. It appeared to him also that so far from being depressed, the country was likely to continue in this prosperous situation, and on that account he moved the previous question.

The Marquis of LANDSDOWNE begged leave to trouble their Lordships with his opinion of some of the principal points of the debate, though he scarcely thought it necessary to offer any statement after the complete and masterly manner in which the subject had been treated by his noble Friend; nor should he have risen at all but for some allusions that had been made in the course of debate. His noble friend had so clearly established his principles, in his opinion, that no solid objection could be made against them. His principles, as it happened, had not been controverted, and the result was so plain, that their Lordships had only to attend to them minutely in order to decide upon them. The noble Lord, however, who spoke last, undertook to controvert these principles, and alledged that the mode of calculation of his noble Friend was disguised. He did not agree with that noble Lord upon the

propriety of averages. There might be proper grounds of comparison in peace which if adopted in the time of war were calculated to mislead. The nation was now incumbered with 100,000,000*l.* additional debt, and he contended no calculation could be made of what its probable revenues might produce at the return of peace, when commerce would flow back to general channels, and a great part of its capital be withdrawn. Therefore he declined that mode of comparison, and thought the reasoning of his noble Friend more to the purpose. That reasoning had traced out all the mischiefs of our system, the causes of which are sufficiently plain. He thought it a fanciful inference, that because 15,000,000*l.* was the amount of our expenditure on a peace establishment before the war, it should be so after its conclusion. It was easy to perceive that every man who used such arguments became a bigot to them, inasmuch, as they all operated in his favour, and it was easy also to suppose that arguments so specious and so flattering should induce people to give them a ready assent. Happily for Ministers men had lost their memories. Many there were too credulous, too impotent and indolent to question, or to recollect, or to refer to what was past, but giving up their judgements *sine die* to any pleasing, but delusive tale, would cry, it may be so, and be content. Some circumstances there were, however, in the present case, that rendered it morally impossible the future peace establishment should not amount to more than 15,000,000*l.* The circumstances he alluded to were the increase of pay to half-pay officers, the allowances to subalterns in the Militia and their families, the immense additional expence of barracks, and above all, the high price of provisions. It was intoxicating to be sure to hear of millions and millions, to hear of the energy and spirit with which the people granted these exorbitant supplies as soon as called on, to hear of the immensity of our machinery, and the thousand other brilliant things brought forth to dazzle and deceive.—He formerly moved for a particular account of imports and of exports, which, if it had been produced, he did intend to investigate article by article, and communicate the result of that investigation to their Lordships; but the Inspector General affirmed, it was impossible to make up such a paper, and there the matter ended. Else would he have shewn that 6,000,000*l.* out of the 16,000,000*l.* were to be put to the War Account; he would have also shewn that war extended commerce, first by the demand for warlike stores, next by the conquests which we have made, and thirdly by the exclusive possession of commerce. At present, as it had been stated by that Inspector General, Great Britain was in possession of the

commerce of the whole world, for if its trade be cut off with France and Holland, it finds its way to Germany, where it has increased from the sum of three millions to eight. What conclusion then was to be drawn in favour of the Peace Establishment from the state of commerce at present, when it was possible that at the return of peace France and Holland might engage to a great extent in commerce and manufactures. He still suspected, though our commerce with those countries was ostensibly disjointed, that we did a great deal for both. We might, as it had rationally been said, be clothing the French armies now, as we formerly clothed the Americans, and he believed we were. He had no pleasure in a gloomy picture, and if he drew one now he begged to have it understood he did not draw it to gratify a proud malignant spirit, but to awake a pious purpose of reformation.

He entertained a favourable idea of the general system, to combine and open trade by the construction of Wet-docks, as it would serve to militate against that bad and fatal system of bonding and of drawbacks. He cared not from what party such wise regulations came, they should be sure of his support; for all men must be sensible of the importance of adopting such improvements, when the great ports of Amsterdam and Antwerp were blocked up, and when the interest of this country and the extensive commerce of the North required them to be carried into instant execution. For his part, he confessed that he should feel himself much happier, if he could excite his country to expedite so great and glorious an undertaking, than in making the most popular and brilliant speech that could be uttered on the energy and prosperity of the country.

By a comparative survey of the price of the 3 per cents. now and in 1783, he found a diminution.—The cause of this diminution he attributed to the Sinking Fund, for without that Consols would be down at 50, or at 45. No man had an idea of the effect of this fund in 1782, for there was no magic in its name, and they thought it would be better to lay taxes upon articles of luxury at compound interest. The institution of it, however, was not absolutely new, for Sir Robert Walpole had proposed such a fund, but owing to the mischief of opposition, for oppositions were sometimes capable of doing harm as well as good, he did not go through with it. But the noble Marquis feared that this fund would form a dangerous system, by producing an increase of stock-jobbing, and loans, and ultimately be the ruin of the country. We were already approaching to the end of our resources; two taxes had been withdrawn in the course of this session, and he feared the final consequence of the Sinking Fund would be, that when all farther means of taxation were exhausted, the Minister would seize

upon this fund, and appropriate it to his own use. He admitted the argument about the public works to a certain degree, but observed they were carried on by stock-jobbing and by paper credit. The only question to decide on was, whether this specious prosperity was permanent? It should be recollected, that when the bank of Ayr was established in Scotland it did much good, and many public works were promoted by the circulation of its paper. He stated that he thought it his duty to take this unpopular task upon him on the same principle as he had contended for peace, for economy, for constitutional provisions of appropriation, and for regulation of the Extraordinaries. If their Lordships consented to these propositions, he would leave other people to calculate and to enjoy the honour of their calculations without interruption. He thought it his duty to support every good measure, and to arraign and expose all bad ones. He thought it his duty to thank his noble Friend for the details which he had given, and for which the public would hereafter thank him; and he concluded by giving his hearty assent to his motion.

Lord GRENVILLE said, that without following the noble Lords in detail upon the different points of their arguments, he would say a few words upon some things that had been stated. As to the Peace Establishment, he never had said that it could not exceed fifteen millions, because he thought it impossible to calculate precisely in time of war what the establishment might be in time of peace. For his own part he was not for reducing the peace establishment to the lowest that it could be, although he hoped it would not much exceed what it had been stated at. As to the revenue of the country, it certainly could not be calculated fairly from years of war only. He wished the noble Lord had taken his average from years of peace and war. The shortness of the taxes last year could be easily accounted for: the stoppage of distilling was one great deficiency, and the cause of that was not to be ascribed as matter of blame to Ministers; but the produce of the taxes last year ought not to be reckoned upon as an estimate when so many causes could be assigned for their being less productive than formerly. But he contended that all the taxes laid on for defraying the expence of the war, had hitherto exceeded what they were estimated at. It had been said that the increase of the exports had arisen from the war, and would cease with the war; but no reason had been adduced to substantiate that argument. It ought to be recollected, that it was upon our naval superiority that the carrying trade depended, and therefore it was in our power to use it as circumstances might require. The high price of the funds was an evi-

dent proof of the prosperity of the country, as well as the low rate at which money could be borrowed ever since the plan of adding a million annually to the Sinking Fund had been adopted. From these circumstances, and from every view of the state of the country that he could take, he was convinced of the flourishing situation of the finances, and that we were perfectly equal to any exertions that might be necessary to carry on with vigour the contest in which we were engaged. Upon the whole, he considered the state of the country now to be better in every respect than the noble Lord wished to represent it—in a comparative view far superior to that of the enemy, and adequate to every exertion that the urgency of the times might require.

The Earl of LAUDERDALE said, he did not wish to trespass much on the indulgence of the House; but the noble Lord's speech conveyed nothing but general assertions, unsupported by facts or even by arguments; and from what he had said about taking the average from times of peace, it would appear that the noble Lord had not read the resolutions which he had the honour to move; there was only another point in the noble Lord's speech, which he need answer, and that was respecting the Sinking Fund; he acknowledged the plan to be good; but two uses might be made of it, so as to suit the object of Ministers, and the additional 200,000l. might be made an engine in their hands to be applied to a temporary exigence, and thereby enable them to go on. He followed the noble Lords in their statements of the revenue and expenditure, and amount of taxes in the different years that had been mentioned, differing in the conclusions they had drawn from their own accounts. He stated the expenditure of the years of the war, from papers upon the table, as being much greater than Ministers admitted it to be in the Army, Navy, and Extraordinary Estimates; and he particularly observed the Arrears and Extraordinaries of the Ordnance as a novelty, because the noble Duke who had lately presided there conducted the business of his office without allowing any Arrears and Extraordinaries to be brought against it. He then noticed the manner in which the East-India Company had paid the 500,000l. annually, which they were bound to do by an Act of the Legislature, and did not recollect any thing more in the noble Lord's speech that called for a reply.

The previous question was put, and carried without a division.
Adjourned till to-morrow.

Saturday, 14th May.

The Royal Assent was given by Commission to sixty-four pub-

Abstract of the Budget 1798 as opened

24th November 1797.

Supply

| | |
|--|---------------------|
| <i>Navy</i> | <i>£12,539,383-</i> |
| <i>Army</i> | <i>10,112,950-</i> |
| <i>Ordnance</i> | <i>1,291,038-</i> |
| <i>Miscellaneous Services</i> | <i>673,000</i> |
| <i>Commissions for the National Debt</i> | <i>200,000</i> |
| <i>Proficiency of Grants</i> | <i>£ 677,000-</i> |
| | <i>£ 25,493,371</i> |

** This Article was omitted in the Budget 25 April 1798 for reasons there stated.*

Ways and Means.

| | |
|---|-------------------------------|
| <i>Loan from the Bank</i> | <i>£3,000,000</i> |
| <i>Assessed Taxes within the year</i> | <i>7,000,000</i> |
| <i>By loan to be provided for in the usual manner</i> | <i>£4,000,000.</i> |
| <i>By loan the amount to be redeemed by continuing Assessed Taxes</i> | <i>£8,000,000. 12,000,000</i> |
| <i>Land and Malt</i> | <i>2,750,000</i> |
| <i>Lottery & Growing produce of consolidated fund</i> | <i>700,000</i> |
| | <i>£ 25,450,000</i> |

1798
Abstract of V^o Budget as
opened 25th April 1798

Supply

| | |
|-------------------------------|-------------|
| Navy | £13,448,888 |
| Army | 12,857,315 |
| Expenses | 1,303,580 |
| Miscellaneous Services | 580,608 |
| Commissioners of Sinking Fund | 200,000 |
| <hr/> | |
| | £28,490,391 |

Ways and Means

| | |
|-----------------------------|------------|
| Land & Malt | £2,750,000 |
| Lottery | 200,000 |
| Assessed Taxes | 4,500,000 |
| Voluntary Contributions | 1,500,000 |
| Duties on Imports & Exports | 1,500,000 |
| Bank Advances | 3,000,000 |
| Loan | 15,000,000 |

£28,450,000

Apr 13th 1798
1,500,000-7

1798
Sum for which Taxes was provided

Of the Loan of £15,000,000 to £8,000,000
is to be provided for by payment out of the
Assessed Taxes in a future Year, there
is therefore only £7,000,000 of the Loan
to which add the £200,000 to the
Commissioners of the Sinking Fund this
£7,200,000 including Interest & Sinking
Fund at 8.15 per cent £577,000
Interest on £3,712,000 Navy Debt
at 5 per cent } 185,650
£762,650

Taxes

| | |
|------------------|----------|
| Salt | £502,000 |
| Tea | 111,500 |
| Armoial Bearings | 150,000 |
| <hr/> | |
| | £769,500 |

0502

