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A
LETTER
TO THE
RIGHT HONOURABLE
WILLIAM PITT,
Chancellor of the Exchequer,
ON HIS
CONDUCT WITH RESPECT
TO
THE LOAN
CONCLUDED ON THE
TWENTY-FIFTH OF NOVEMBER LAST,
AND THE
SUSPICIOUS CIRCUMSTANCES
ATTENDING THAT
TRANSACTION,
As reported to the House of Commons by the Committee
appointed to inquire into the same.

George Tierney Esq.

LONDON:
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PICCADILLY.
1796.

A
L E T T E R,
&c.

SIR,
THE COMMITTEE appointed to inquire into the circumstances of the late LOAN, having produced their REPORT of the evidence taken before them, we are no longer in uncertainty as to the nature and extent of a transaction which has so much excited the astonishment of your friends, and the suspicions of your enemies. The facts are now authenticated; and by the fair inference to be deduced from those facts, you must stand or fall.

You are not called upon to answer for the errors, or the unskilfulness of your administration: neither your incapacity as a statesman, nor your crooked policy as a minister is

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here attacked. The blow is levelled at that on which your whole reputation has been built. It is your character as Chancellor of the Exchequer which is at stake, and you are arraigned for this—that you have been an unfaithful steward to your country.

If upon this issue you can shew that your conduct in the transaction complained of, has been the result of inattention or ignorance, how much soever we may lament that his Majesty should have placed the fortunes of his subjects in such hands, I admit that the charge brought against you is not substantiated; but if you cannot distinctly and satisfactorily account for those circumstances on which the suspicions of the public are grounded, I maintain that the only question for the House of Commons will be, whether they shall subject you to the rigours of an impeachment, or content themselves with such a vote of censure, as may rescue the country from the mischief attending your continuance in office.—I proceed, Sir, to the inquiry.

At the commencement of the war, with an anxiety for your character as Chancellor of
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the Exchequer which did you much honour, you thought it necessary to apologize to the House of Commons for the apparent extravagance of a loan you had made in the year 1793: the words of that apology are remarkable, because they demonstrate your thorough knowledge of the manner in which loans ought to be procured, and at the same time form a striking contrast to your conduct on the present occasion. You stated, “* that you did not mean to say that the terms were good; but you assured the Committee they were the best you had been able to procure. *You had done every thing in your power to excite a competition among the monied men*, but without effect; for it had so happened that you had not received two offers on the occasion. No competition existing, you had thought it your duty to close with the only set of gentlemen who had waited upon you to negotiate the loan.”

It was on your inability “to excite a competition among the monied men,” that you rested your defence for the extravagant

* Parl. Reg. vol. 35, p. 157.

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bargain you were compelled to conclude in 1793. In opening your budget in 1794, you still professed the same anxiety for competition. You affirmed, " That the principle " to which you had invariably adhered ever " since you had been in your present situa- " tion, had been that of encouraging an open " and public competition among all persons " who were desirous of entering into an " agreement." If the advantage of acting upon so excellent a principle had stood in need of any confirmation, the very favourable terms you obtained for the public in your loan for 1794, by adopting the plan of open competition, must have afforded it. Mr. Fox, with that manly candour for which he is distinguished, " * admitted that loan to be a prudent one. When he saw ground for approbation, he was always ready to give that approbation, and with respect to the loan, therefore, he begged it to be understood that he subscribed to it implicitly, because it appeared to him to be as advantageous as it could be."

* Parl. Reg. vol. 37, p. 315.

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The winter of the very year, however, in which you had received so high a compliment, beheld you swerve from the line of conduct to which you owed so much celebrity. In December, 1794, you *privately* settled with Messrs. Boyd and Benfield the terms of a loan for eighteen millions, which bargain you announced in your budget in February 1795.

Your principle of competition was here abandoned, but the circumstances under which you deserted it were of a nature which, if they did not completely justify, at least held out a very plausible excuse for your conduct. An *Austrian loan* was in contemplation, and the conditions of the English were so closely implicated with the Imperial bargain, that a public, unwilling to encourage suspicions unfavourable to your integrity, attributed that to sound policy which many thought should have been imputed to a very different cause. Let, however, the motives have been what they may which influenced you to give to Messrs. Boyd and Benfield the loan for 1795, the circumstances under which they have obtained the loan for 1796, are of a nature which nothing but the most clear and
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satisfactory evidence can excuse or palliate. Every principle you have laid down, every rule of practice you have professed, appears to have been in that transaction wilfully and *suspiciously* abandoned.

The case stands thus :

The rumours of an approaching loan had early in the last autumn excited a strong spirit of competition. The general opinion was, that peace could be at no great distance, and this prevailing idea held out additional inducements to enterprising men to become bidders. As the time for making the bargain approached, what are called the different *lists* came to be more distinctly formed, and by the middle of October, the monied interest was finally divided into three parties, at the head of which were Messrs. *Mellish*, *Boyd*, and *Morgan*. Never did appearances augur more favourably for the public.

* On the 23d of November, these three gentlemen were officially acquainted that they

* See the Report of the Committee delivered to the House of Commons. Evidence of Morgan, Boyd, Giles, and Mellish.

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were to be in Downing-street on Wednesday the 25th, to hear preliminaries explained; and they were at the same time informed, that the final bidding for the bargain would take place on Friday the 27th. By preliminaries are to be understood, those explanations on the part of the Chancellor of the Exchequer, which are always given previous to the bargain being made, and which relate to the amount of navy bills to be funded or paid off, the amount of any foreign or Irish loan to be negotiated in England, the quantity of exchequer bills to be circulated, and the different stocks of which the new scrip is to be composed.

The competitors accordingly met at your house on the 25th; none of them, as appears by their evidence, prepared to offer any price for the loan, but expecting to be informed of such matters as might be thought necessary to regulate their bidding on the 27th following.

The very first communication you made to the gentlemen thus assembled, effectually put an end to competition. You acquainted them, that in consequence of a claim of Mr. Boyd's,

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Boyd's, he was entitled to a preference, and that the condition on which they were to bid was, that Mr. Boyd was to have *an option of taking the loan upon an advance of a half per cent. on the highest offer.* It is scarcely necessary to add, that Messrs. Mellish and Morgan refused to enter into any competition on such terms, but it is highly material to state, that those gentlemen having a hint immediately given them to withdraw, the loan was, *without the delay of an hour*, concluded with Mr. Boyd and his party.

Such is the short statement of the transaction.

Now, Sir, is it possible you should for a moment have entertained an idea that Messrs. Mellish and Morgan could ever consent to become competitors on such conditions as you proposed to them? The opinion of Mr. Giles, the Governor of the Bank, is well deserving of attention, as the opinion of a man of great experience in transactions of this nature. Mr. Giles distinctly states,* that it was not to be expected any competition would

* See Report, p. 102.

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take place on such terms, and he candidly confesses that he would not have bid, had he been in the situation of Mellish or of Morgan. Putting, however, the authority of any man's opinion out of the question, it would be an insult to your understanding to suppose, that you could have looked for any other answer to your proposal than that which you received. You are much too acute to have expected that any men right in their senses should have offered to contract for so enormous a sum as eighteen millions, on the express condition that they were only to furnish it, if the terms of the bargain should not appear to admit of a profit after deducting a *half per cent.*

The very stipulation you made with Mr. Boyd, when you agreed to grant him the preference he solicited, shews that you were aware that such a preference would probably destroy competition. This you must admit; but you will at the same time contend, that this stipulation furnishes a proof how carefully you provided against any detriment arising to the public in the event of Mellish and Morgan refusing to bid. You stipulated that, in that case, *you* were to fix the conditions of

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the loan, and what more, it will be said, could be wished, than that the Chancellor of the Exchequer should himself peremptorily settle the bargain?—There is a certain degree of plausibility in this mode of defence, but it will not bear strict examination. I deny that the advantage of the Chancellor of the Exchequer naming the terms of the loan, can be equal to that which the public would derive from a fair competition.

As Chancellor of the Exchequer, you could only feel yourself at liberty to settle the terms of the loan according to the current price of stocks on the day when the bargain was made. Had you named a price much *lower*, it would have announced that the expectations of government were of an unfavourable kind; had you named a price much *higher*, you would have confirmed the general hope of an approaching peace. Either measure would, by influencing the public opinion, have operated upon the funds to an extent for which you must have known that you would be considered as answerable.

So

So far, therefore, from its being a gain to the nation that you should settle the terms of the loan, it is evident that there was no other man in the kingdom could have settled them under such disadvantages, and these disadvantages will be found to have been peculiarly great, when the circumstances are considered which attended the loan in November. The prevailing opinion was in favour of peace; an opinion of which, for the reason I have assigned, you could not avail yourself, and of which consequently the public lost the whole benefit.

To say, then, that the Chancellor of the Exchequer shall settle the terms, is, at best, to say no more than that the loan shall be taken, with some small variation, at the price which stocks bear on the day when the bargain is concluded. This variation must always be in favour of the subscribers, together with a *discount* of about 3*l. per cent.* and as, in addition to this it constantly happens that the preparations for, and expectations of a loan create a temporary depression of the funds, it follows that there are no terms which *you* could reasonably be expected to offer, which it would

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not

not be of advantage to the subscribers to accept. If a proof of this were wanting, Mr. Boyd would furnish it. He considered the taking the loan *on your own terms*, as affording an actual indemnification for the surrender of his claim.

So much for a loan of which the terms are settled by the Chancellor of the Exchequer. In a loan settled by Competition, the case is very different. Opinion* has there its full scope for the advantage of the public, at the same time that (by a sealed paper which is always deposited by the Chancellor of the Exchequer previous to the bidding, and contains some price *below* which no offer is to be admitted) a security is provided against any

* The public advantage from competition, particularly where Mr. Boyd is a competitor, will be best explained by the different biddings on the Irish loan in 1795. The terms were, that for every 100*l.* the subscriber should have 100*l.* in 5 per cents. and an annuity for fifteen years. The condition of the bidding was, that the person who offered to take the least quantity of annuity was to have the loan.

| These were the offers. | Annuity for fifteen years, | | |
|---------------------------|----------------------------|-----------|-----------|
| | <i>l.</i> | <i>s.</i> | <i>d.</i> |
| Puget and Co. - - - - - | 1 | 14 | 6 |
| Nelbitt and Co. - - - - - | 1 | 9 | 0 |
| R. Shaw - - - - - | 1 | 12 | 6 |
| Boyd and Co. - - - - - | 1 | 1 | 11 |

Valuing the annuity at ten years purchase, there was a difference of opinion, respecting the value of the loan, of above *six* per cent.

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fraudulent combination to the public detriment. A variety of circumstances will occur to monied men,* under which it may be a desirable object to have a loan even on conditions apparently but little profitable. It is likewise to be taken into the account, that the very fact of having prepared to be a competitor, necessarily supposes a large sum of money drawn out of employment, the reinvestment of which must be a considerable object. Above all, let it be recollected, that with respect to the late loan in November, the competitors had been informed on the 29th of October by the King's speech, that "should the crisis" (which was announced to have taken place in France) "terminate in any order of things compatible with the tranquillity of other countries, and afford a reasonable expectation of permanence and security in any treaty which might be concluded, the appearance of a disposition to negotiate for general peace, on just and suitable terms, would not fail to meet with an earnest desire to give it the fullest and speediest effect."

* See Report, page 106, and Morgan's offer, page 33.

Having

Having thus shewn that the reservation you made in the event of Mellish and Morgan refusing to bid, cannot in any degree be said to counterbalance the probable disadvantage sustained by your having destroyed the spirit of competition, you will stand convicted of having done a wilful injury to the public, unless you can vindicate the preference you awarded to Mr. Boyd, in consequence of which Messrs. Mellish and Morgan were prevented from appearing as competitors.—Let us examine the circumstances under which this preference was granted.

Mr. Boyd's claim to a preference is founded upon this: that having been the contractor for the loan of 1795, he has a right to oppose the negotiation of any new loan till the last payment on that has been made.

This claim, it appears by his evidence, he * stated to you as early as October, and it also appears that, at that period, you were very adverse to it. It seems, however, that you promised not to conclude a new bargain, until you had again conversed with him on the subject.

* See Report, page 51.

From October to the 23d of November, there is a blank in the history of this claim—a most extraordinary blank, and one which you must be called upon to fill up as to the reasons for your conduct.

On the 23d of November Mr. Boyd writes to you as follows: “ * Having heard that this day had been appointed for an interview between you and the persons intending to offer for the ensuing loan, Mr. Robarts and I were upon our way from the city to desire an audience of you previous to your receiving the candidates, when we learnt at the Bank that the meeting was put off till Wednesday.” He then goes on to beg that you will see him the next morning as early as convenient, and concludes thus; “ I had upon the assurances that you gave me that you would send for our party previous to any such interview (with the candidates) acquainted them that they would not be deprived of a proper opportunity of stating what they had to say, before any other steps would be taken about another loan, and I was therefore mortified to find that

* Appendix to Report, No. 5.

“ a meet-

“ a meeting was on the point of taking place
“ without any such previous opportunity ha-
“ ving been afforded them.”

What are we to infer from this? not that you had intended to break your word with Mr. Boyd—that is impossible; and yet we know that the day for making the bargain was close at hand. Not that you had made up your mind to acknowledge the claim—that too is impossible; for you had on the very day when Boyd's letter is dated,* authorized the governor of the Bank to send to Messrs. Mellish and Morgan, and positively to assure them that the loan should be by competition. Did you mean then just before the bidding to have informed Mr. Boyd and his party, that you rejected their claim? If this was your intention, let us see what it was which, between the 23d and the 25th of November, so materially altered your opinion.

On the 24th Messrs. Boyd and Roberts have an interview with you, which ends in your desiring them to write a letter, stating their claim. This letter you received late at

* See Report, page 104.
night.

night. It would be uncandid not to give it at full length.

November 24, 1795.

“ SIR,
“ WE beg leave to represent to you, on behalf of ourselves and the other contractors for the loan of last year, that the contract was entered into under the condition, that no other public loan for this country should be made until the period fixed for the last payment of the loan then contracted for should have elapsed. We conceive that on this account we have an undoubted right to object to the negotiation of the loan now proposed to be contracted for, until the period assigned us for the sale of our scrips shall expire, viz. the 15th of January next. This is not one of those rights of which litigious people sometimes avail themselves for the mere purpose of giving trouble; it is a right which is founded in justice and the nature of things, recognized by constant practice and public opinion, and which we cannot relinquish without evident loss. That this may appear perfectly clear, we beg leave to state, that there is at this moment still floating in the market the value of five millions of money in scrip, which remains to be converted into stock. Several of the contractors for the last loan are holders of this scrip, and they must inevitably suffer by the introduction of eighteen millions more into the market, while so large a portion of last year's scrip is still on hand.

“ While we thus assert our right to prevent the negotiation of the loan now in contemplation, we are loath to exercise this right to your inconvenience, or to the detriment of the public, and are therefore willing to wave it, upon condition that the injury which must result from the introduction of so large a sum of scrip into the market, before (if we may so express ourselves) our exclusive lease of the market expires, be compensated to us by the chance of advantage to arise
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“ from the new loan, on which ground we presume to
 “ claim the preference of contracting for it.
 “ By the modified powers of our party, we are enabled
 “ to give the highest price that ought to be given, and
 “ we can assure you with great sincerity, that in the
 “ event of your consenting to a private negotiation, our
 “ offer shall be fully as liberal as if we had no pre-
 “ ference whatever, and that it shall equal your expecta-
 “ tion.
 “ We are aware that your acquiescence in this propo-
 “ sals must meet with difficulty in your own mind on
 “ account of your *predilection* in favour of public compe-
 “ tition; but to reconcile as much as possible the princi-
 “ ple of competition with what we conceive to be our
 “ undoubted right, we are willing to admit of it on the
 “ present occasion to a certain degree.
 “ We are willing to allow the proposed loan to be
 “ exposed to competition upon condition that the option
 “ shall be expressly reserved to our party of taking the
 “ loan at such a price as shall be equal in value to one
 “ half per cent. upon the whole sum borrowed, above the
 “ highest offer of the competitors.
 “ If any solid objections can be made to both these pro-
 “ posals, we shall be happy to adopt any other measure
 “ more agreeable to you, by which you may on the one
 “ hand be secured against undue advantage on our part;
 “ and on the other, we may preserve our right, or obtain
 “ in lieu of it such a preference as we conceive to be
 “ justly due to our particular situation.

We have the honour to be,

“ &c. &c.

“ WALTER BOYD,

“ ABRAM ROBERTS.

“ Right Hon. William Pitt.”

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On this letter these questions arise: Was there any such *contract* as that alluded to? Had there been any *constant practice* and *public opinion* upon the subject? And did a loss appear to be evident by there being floating in the market the *value of five millions* of money in scrip, which remained to be converted into stock?

These are questions which present themselves so naturally, that it is wonderful they did not occur to *you*. It was, however, fortunate for Mr. Boyd and his party, that you adopted the truth of the assertions without investigation. Had you felt any disposition to inquire, you would have found, that *no such contract existed*: that † no similar case had ever happened, consequently that there could be *no constant practice* to be quoted; and that so far from there being *five millions of scrip* afloat, the whole amount of stock not entered was not † *two millions* on the English loan, to which only I apprehend we are here called upon to refer. Of the origi-

* See App. to Rep. No. 20. † Rep. page 100.
 † App. to Rep. No. 15.

nal eighteen millions there was due on the 24th of November but 14,378,150. Of all the arguments adduced by Mr. Boyd, there remains, therefore, but one which can be said to merit attention; and that relates to the justice of the claim, as founded upon the nature of things. Now it is on these very points, justice, and the nature of things, that I ground my objection to Mr. Boyd's claim, and to your conduct respecting it.

I do not understand what is meant by a claim brought by individuals against the public unsupported by any formal document. Admitting that in Feb. 1795 you contracted with Mr. Boyd for a loan of eighteen millions, and told him (of which let it be recollected there is not the shadow of evidence) that no more money should be raised in the course of the year, such an agreement is in no degree binding, unless confirmed by the House of Commons. Every part of the loan contract, by which the public is bound, is moved as a resolution in the Committee of Supply, and afterwards engrafted into an act

* See Report, p. 101.

† See Report, p. 68, question 317.

of

of Parliament. The contributors have the faith of the legislature pledged to them that for every 100^l subscribed they shall be entitled to such a capital sum in such a stock, and to a certain annuity; that the interest on the new stock shall commence from such a day; that the payments shall be made at stated periods; and that such a rate of discount shall be allowed for prompt payment. On the other hand, the contributors to the loan are bound to give security for the performance of their part of the bargain by making, on a day appointed, a deposit of 10^l per cent. Here ends all that can be called a contract. What passes in Downing Street, under the name of preliminaries, amounts to no more than a personal assurance from the Chancellor of the Exchequer to the contracting parties. It is unknown to the public, and consequently not binding upon them.

But the justice of the case! the contributors to the last loan understood *bona fide* (no matter how justly) that no other English loan should take place in the course of the year, notwithstanding which a further sum of eighteen millions was proposed to be raised before they

they had made their last payment—was not this an act of injustice?

I answer, that if it be one, you know that you have not taken a single step towards affording redress; and this it is which constitutes one of the most suspicious parts of your conduct. You dare not come forward and say, that it was a principle of justice which induced you to accede to Mr. Boyd's request.

Suppose the terms of the bargain made in February 1795, to have been precisely as Mr. Boyd states them; will any man of common sense or honesty deny that the injury arising from the introduction of a new loan falls equally upon all the persons who hold any part of the preceding one; for whether they are original subscribers, or subsequent purchasers, they have vested absolutely in them a right to every privilege attached by the terms of the contract to those who hold shares under it? Now what does Mr. Boyd's idea of justice suggest? Why truly, that in consideration of this injury, Mr. Boyd and seven or eight other gentlemen who were joint contractors with him for the last, should have a pre-

ference in contracting for the new loan!

It is not even pretended that the actual holders of the old scrip have been consulted, still less that they are to be admitted as such to any participation in the advantages of the new bargain! Very fortunately, Mr. Boyd has stated in his examination the grounds of this new principle of justice to which you so suddenly became a convert. There is, it seems, a material distinction between the subscribers to, and the contractors for a loan. According to Mr. Boyd's doctrine, the contractors have an exclusive lease of the money market till the last payment is made on the loan for which they have contracted, and this right is reserved to them even * after they have parted with their scrip!

For Mr. Boyd's reasoning on this subject, I must refer to his evidence in the report of the committee.

The limits of this letter do not admit of inserting it at length, and I will not expose myself to the charge of misstatement by any

* See Rep. p. 57.

attempt to abridge that which I confess to be in many parts beyond my comprehension. What I maintain is, that these contractors to whom, according to Mr. Boyd, the subscribers are under such a load of obligation, are not to be considered as more than a deputation from the great body of subscribers, entrusted, for the convenience of business, with the arrangement of the terms on their behalf; and I conceive it to be little short of an insult to common sense to contend, that after the bargain is concluded they have a power vested in them of surrendering any of the advantages which the subscribers derive under it, in exchange for an exclusive advantage to themselves. Extraordinary risk as contractors they have none, or if they have, it is their own fault, inasmuch as they may require the same security from their fellow subscribers which government requires from themselves. If as contractors they have a right which they can surrender in November, they must have one which they can sell in June, and in proportion as the injury to which they expose the subscribers is great, their claim to compensation becomes enlarged. The privilege Mr. Boyd contends for either does not exist,

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or it goes to this extravagant length, that the contractors have the power of benefiting themselves according to the degree of loss to which they subject their constituents! a proposition so monstrous I do not think I need combat: I shall, therefore, upon this subject only add the opinion of one most eminently qualified by experience to decide on a question of this nature.* Mr. Abraham Newland, the cashier of the Bank, in his evidence, expressly denies that the contractors have any claim distinct from the original subscribers or scripholders.

Of all the arguments used by Mr. Boyd in support of his claim, there now remains but one more to be noticed, and that is, that his claim is founded *in the nature of things*.

I very readily admit that eighteen millions having been borrowed in February last, it was not in the nature of things to have been expected, that eighteen millions more would be wanted in the November following, and I as readily allow that the persons concerned in

* See Report, p. 71.

the loan of February 1795, had great reason to complain; but I absolutely deny that, from these premises, it follows that Mr. Boyd and his brother contractors had, in the nature of things, a claim to such advantages as you have thought proper to shower down upon them. I have before stated, that the assurances given by the Chancellor of the Exchequer to the contractors for a loan, form no part of a contract which is binding on the public; nay, there is no mode by which it is in your power to render them binding. They are to be received by the contractors, as your estimates are to be received by the House of Commons, that is, with just as much confidence as past experience of your accuracy warrants; but the good faith of the public is in no way committed. Upon Mr. Boyd no blame can attach for attempting to avail himself of any implied right of which he might suppose he was possessed, but that you should have admitted his claim on the ground that it was founded on justice and the nature of things, is what I will not believe till it comes from your own lips. I do not think you will hazard such a defence; but as drowning men will catch at straws, and it is impossible to say

to what shifts you may in your present situation be reduced, I will, in charity, give you warning to what such a defence would lead. You must be ready to contend, that the discretion of Parliament and the exigencies of the state may be controuled by the implied engagements of an individual minister. That the official estimates for the service of the year, delivered to Parliament, may be departed from without even an apology; but that the spirit of the private assurances you give in Downing-street, must be rigidly observed. That having told the House of Commons the expences of the campaign will be defrayed for eighteen millions, you may without hesitation double the sum, but that with the contractors for the loan your calculations of probable expence are to be so strictly construed, that the slightest deviation is to incur a penalty. You must be ready to contend, that the fraud, the negligence, or the ignorance with which your estimates are formed in the spring, may furnish an excuse for the extravagance of a bad bargain in the autumn; and that having deceived the House of Commons, injured the subscribers to the loan, squandered the national grants of money, pre-
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turely emptied the treasury, and expended in six months, what was asked and voted for the service of twelve; it follows, in the nature of things, that you should atone to Mr. Boyd!

Such is the reasoning which results from the claim of Mr. Boyd and his party, when contended for upon the *nature of things*. Come forward, Sir, and tell us whether it was upon this ground, or from a love of justice, or from a conviction of the rights which the contractors of a loan enjoy distinct from the subscribers, that you awarded to Mr. Boyd a preference, by which you destroyed every advantage to be derived from a loan settled by competition. Which of these three pretences will you assign as the motive which influenced your decision in Mr. Boyd's favour? Remember that you must take one of the three, for it is not even alledged any where, but in Mr. Boyd's letter, that there was any contract or agreement on the subject, either in writing or in words; and as to custom, the case never occurred before.

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I have now shewn that Mr. Boyd, on the day preceding the attendance of the competitors, wrote a letter, claiming for himself a preference in contracting for the loan; and it appears that the reasons he urged in support of his claim, weighed so forcibly with you, that you granted his demand. I have argued to prove that demand unfounded, and the impropriety of your conduct in admitting it must be acknowledged, if the claim itself cannot be defended. Your friends, however, will contend, that whatever of imprudence this admission of Mr. Boyd's demand may betray, it shews nothing of a corrupt or improper dealing. We shall, perhaps, be told that you were overreached; unfortunately, even this plea, if your pride should submit to it, cannot avail you. Those who vote in your defence, shall do it in a manner not to be misunderstood.

*It is stated by the Governor of the Bank, that Mr. Newland had searched a long way back, and had not been able to find an instance, where a payment on a new loan had

* See Report, p. 100.

taken

taken place before the last payment on the one preceding; it is stated by * Mr. Boyd, that you declared at the very time of deciding it, that it was a case of difficulty; and † he further informs us, he had a great deal of conversation with you in October upon the subject, and that you then appeared to be much against his claim. Now putting together the novelty of the case, your sense of the difficulty attending it, at the length of time during which it was before you, how comes it that you do not appear to have consulted any one upon it? How comes it that the Governor of the Bank, who was present when the agreement in dispute was entered into, should ‡ not have been advised with? Above all, how comes it that your eagerness to carry your *sudden* determination into effect, should have been such as to have prevented all possibility of obtaining the sentiments of any one person, before you were irrevocably committed? How comes it that, without any intermediate notice, the final arrangement which on the 23d November you had expressly declared should not take place till the 27th,

* See Report, p. 46. † Ib. p. 51. ‡ Ib. p. 104.
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was so unexpectedly concluded on the 25th? You will perhaps answer, that you asked Mr. Mellish whether he wished for two or three days to consider of the plan of competition you proposed. True; but Mr. Mellish declares,* that had you told him the delay would not be an injury to the loan, he would have accepted your offer in order to have consulted with his friends; † and he adds, that he implied from your manner, that injury might arise from the delay. Injury might arise! Sir, you must be reminded that we now know that all apprehension of injury must have been on your part affected, for it appears that ‡ *previous* to your conversation with Mellish, Mr. Boyd had bound himself, in the event of the other competitors refusing to bid, to take the loan upon your own terms.

These, Sir, are suspicious circumstances. There is a something in your unaccountable precipitation on the 25th of November, which gives rise to the most unfavourable conjectures. It is not pretended that you had the

* See Report, p. 95. † Ib. p. 95. ‡ Ib. p. 46.
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sanction of any respectable advice between the period when you were so adverse to the claim, and the period when you so peremptorily decided in favour of it. Nothing is known to have intervened, except that Mr. Boyd had an interview with you on the 24th, and that he wrote you a letter on the night of that day. Your budget was not brought forward till the 7th of December, and the first payment was not to take place till the 10th of December. Whence then could have arisen the inconvenience from delay? For what purpose was it that an interval of twelve days was to elapse (a thing perfectly unprecedented) between the conclusion of the bargain and the bringing it forward in Parliament? I will not stop to take notice of the general rumour which prevailed, and the suspicions which had long been abroad, that it would be so managed that Boyd should have the loan. I have nothing to do with rumours or insinuations; I put direct questions to you, by direct answers to which you may clear yourself if you can. I ask you why you so mysteriously omitted to avail yourself of the opinion and experience of other persons in a case which was unprecedented? and I ask you what were the motives

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tives which urged you so suddenly to conclude the bargain on the 25th, instead of the 27th of November, the day which you yourself had appointed for that purpose?

Perhaps you will admit all the facts which I have stated, and argue, that the most which can be inferred from them is, that you negotiated a loan by private agreement instead of by public competition, and that, though competition be desirable, yet that the occasional omission of it cannot be said to constitute an offence. The answer to this is, that though it be true that you were not strictly bound to make the loan by competition, yet in common honesty you were bound not to make the terms of a competition subservient to the interest of an individual. To explain this.

Every loan creates, for some time previous to it, a certain depression of the funds. The cause of this is clear; money is to be provided or kept ready to make a deposit, which is never less than ten per cent. on the principal borrowed, and sums to a large amount are generally drawn out of circulation by persons intending to pay up upon their scrip, and take

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the full discount. In addition to this, it is the obvious interest of all those who have a view to contract for loans, to increase the depression as much as possible. They who embark in transactions of this kind, being always men of monied consequence in the city, are generally successful in their endeavours, and these endeavours acquire additional strength in proportion to the sum about to be raised. By encouraging to the last moment the idea of competition, you created three sets of competitors, consequently you most materially assisted the natural operation of all loans. It cannot, indeed, be said to have been trebled; because some persons were in every list, but it may fairly be stated as having been more than doubled.

This was the effect to the public from the competition you created; you made it the interest of three sets of men instead of one to give the money market, by which the loan was to be regulated, a gloomy appearance. Why was this done? Had you decided upon Mr. Boyd's claim as you ought to have done, soon after he informed you of it, you would, it is true, have destroyed competition, but then

you would equally have destroyed its influence upon the funds. By the course, which for some reason best known to yourself, you chose to pursue, you exposed the public to all the ill effects which precede an open bargain, and you enabled Mr. Boyd to reap all the benefit. You studiously kept alive the idea of a competition for a loan of eighteen millions up to the 23d of November, and on that day you confirm it by acquainting the Governor of the Bank that you would receive the competitors to settle preliminaries on the 25th, and to bid for the loan on the 27th. Not a syllable of your real intention transpires till the parties are actually assembled on the 25th, and on that day, Messrs. Mellish and Morgan being, according to appointment, at your house, you suddenly announce your admission of Mr. Boyd's claim; you propose the very mode of bidding, which he, in order to give himself a preference, suggested to you, and which the Governor of the Bank declares to be incompatible with competition; you make the other competitors retire with astonishment and disgust; you name terms so thoroughly congenial with the expectations of Mr. Boyd, that he is enabled to secure the loan at a rate of interest which is not only less than that which would have been obtained by a competition, but also less than that which would have been obtained by a competition, had you not done so.

Boyd's party, that he confesses * that they were "struck with the wonderful coincidence between the two calculations;" and, breaking your word with respect to the day on which the business was to be concluded, you act as if you feared to allow time for deliberation, and in an instant conclude one of the most suspicious bargains that ever was recorded in the history of finance. Can any man believe all this arose by accident?

This strange transaction takes place on the 25th of November, and though there can be no excuse for the indecent eagerness with which it was concluded, yet, if it had not quieted suspicion, it might have suppressed resentment, could it have been made to appear that delay would have been attended with no advantage to the public. But the fact is directly otherwise; *within twelve days a message was signed by his Majesty, which at once raised the value of the annuity above five per cent. that is to say, from SEVEN to above TWELVE per cent. premium.* The very terms of that message prove that it could not have

* Report, p. 75.

been

been occasioned by any sudden event. His Majesty informs Parliament, "that the crisis which was depending at the commencement of the present session, has led to such an order of things as will induce his Majesty to meet any disposition for negotiation, with an earnest desire to give it the fullest and speediest effect; and to conclude a treaty for general peace on just and suitable terms for himself and his allies." That his Majesty's ministers should not have been in the daily habit of contemplating the progress of a crisis big with such important consequences as were depending at the commencement of the session (29th October) is very incredible; but it is still more so, that they should be able to announce on the 7th of December, that it had *actually* led to that order of things they so anxiously wished for, without having perceived on the 25th of November that it was fast approaching to that point. What then could have been your motive for hurrying the bargain for the loan, when delay might have been attended with such material advantages? As you value your character, *you* must explain what the motive *was*; *I* can only shew what it *was not*. It was not from the exigencies of

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of government absolutely requiring the money on the 25th of November. By the conditions of the agreement, no money was to be paid till the 10th of December. Tell us why the bargain was concluded on the 25th of November?

It appears, then, that the loan which Mr. Boyd had the good fortune to negotiate with you, bore a premium of above twelve per cent, within twelve days after it was contracted for. We will not, however, quote that price; we will say (what is within the truth) that it bore a premium of ten per cent, on an average of the fluctuations, from the 25th November to the end of December. This would give a profit to the subscribers of 1,300,000*l.* and admitting the fair bonus, to which on so large a sum they were entitled, to be as high as four and a half per cent, it follows that you gave away, by your unaccountable precipitation, no less a sum than 990,000*l.*

The circumstances which I have stated to attend this transaction, it must be admitted, bear a most suspicious appearance; it may, however,

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however, be said, that no ground has been laid for suspecting that you were influenced in favour of Mr. Boyd, and that still less has it been shewn that you interfered in the distribution of the loan. Your motives remain unimpeached; and on this it is, I am told, that your friends rest your defence. Indeed, from some expressions that fell from you in debate a few days back, it should seem as if you yourself meant to found your main justification on the circumstance of the committee not having proved that your own immediate political connections appear to have had a share in the business.

With respect to any influence over you which Mr. Boyd might have had, the following transactions, which the committee have brought to light, must speak for itself.

* Early in August you applied to Mr. Boyd to advance money in *anticipation* of those payments on the loan of 1795, which became due in *November, December, and January*, and the reason assigned for such an appli-

* See Report, p. 64, 65.

cation

cation to Mr. Boyd was, "that perhaps the Bank might not find it convenient." In the beginning of September, you concluded a bargain for an advance of *one million*. Mr. Boyd was to furnish you with the money, and you were to accept bills to the amount, payable in December and January. These bills drawn *in September*, by a W. Boyd, jun. *being in London*, are dated *Hamburg, August 17th*. The cash is paid into the hands of the Paymaster-general of the forces.

To all this manœuvre, you, Chancellor of the Exchequer, are a party. The bills are drawn in *Broad-street*; are dated *Hamburg*; are *without stamps*, in order to keep up the appearance of being *foreign*, though in fact they were *inland bills*; are, with your knowledge of these circumstances, under your direction, *accepted by Mr. Long*; and *700,000l.* appears to have been *actually obtained* from the house of Boyd, Benfield, and Co. by his Majesty's Prime Minister lending himself to such a transaction.

With the legality of your conduct in this business I have here nothing to do. It will be

be for the Commons to institute some proceeding upon it. As guardians of the public credit, it is impossible they can permit such an outrage on the character of a commercial nation to pass with impunity. Within six months after money was voted by Parliament to the amount of above *thirty millions sterling*, you had recourse to practices such as always excite suspicion, and generally precede bankruptcy. You were compelled to raise money upon *accommodation bills*, in a manner which the Governor of the Bank declares would have affected the credit of any private house. You have brought the acceptance of his Majesty's Treasury into disrepute and disgrace, for you have prostituted it to sanction what you knew to be a collusion; and, lastly, by your application of the money procured by such means, you placed an immense sum in the hands of the Paymaster of the forces, in open defiance of an * act of Parliament, which enacts that all money upon his account shall be *issued to the Bank of England*. All this, however, is matter for future discussion elsewhere; I only mention it here, because the very Mr. Boyd,

* 23d Geo. III. c. 50.

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who obtained the loan under the circumstances I have stated, appears to have been your aider, abettor, or instrument in every part of the transaction. Whether his services in September were any support to his pretensions in November, is what I leave to others to decide. I confine myself to the fact. He supplied you with an advance of 700,000*l.* and you gave him a preference in bidding for the loan.

I come now to your last, and great ground of defence; namely, that in the distribution of the loan, there does not appear to have been any provision made for your immediate political connections.

I am ready to admit this to any extent you require. None of your family, no men in office, few members of Parliament have their names in any of the lists; it looks, indeed, as if particular pains had been taken to exclude them. They seem to have shunned, as if by common consent, all the advantages which their situations must have afforded them. The eye searches in vain for any of those names which on former occasions of the
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kind, have been found most forward in their zeal to contribute to the exigencies of the state. They have all stood aloof; they have shaken off their old habits, and now avoid a good thing as eagerly as they were once accustomed to seek it. This is somewhat extraordinary, but I make no comments. Most of the gentlemen, who appear set down for large sums, assure us, that no improper applications have been made, and some of them offer to swear it. Who is it then that has reaped the benefit of your loan? A body of men as necessary to a minister as the members of either House of Parliament; a body of men whose opposition would be most formidable; whose influence reaches to every populous town in the kingdom; whose consequence has increased with the increased debt of the nation, and who by combinations amongst themselves, can raise or lower that modern barometer of public opinion, the national funds. I mean the great trading interest in the city of London. It is on that body of men you have conferred a favour by your loan, and if it had been done by design, you could not more effectually have promoted the views of administration. At a moment when the calamities of the war had
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created a sensation in the country which began to operate; when the scarcity of money threatened to become alarming; when the Bank were meditating a limitation of their discounts; at such a moment *you gave a million to be divided in the city*. Will it not be an insult to our understandings to contend, that because the names of your immediate political connections are kept back from the list of subscribers to the loan, that it has therefore been accompanied by no political effect, and that the circumstances attending it can be attributed to no political motive?

I have now, Sir, stated the grounds on which I found my suspicions as to the part you have acted respecting the late loan. As I began without preface, I will conclude without apology. Every object I have in view is obtained, if I have succeeded in drawing the attention of the public to those leading points on which the merits of this important cause chiefly depend. No man can read the Report of the Committee of the House of Commons, and deny that you ought to be put upon your trial. I have, by giving you this copy of your

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indictment, enabled you the more distinctly to make your defence. *You are arraigned for having made a most suspicious bargain to the prejudice of the public*. You now know on what the charge is founded, and it will be by your own act if you shall stand *convicted*.

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