

Foreign Intelligence.

LONDON, April 27. HOUSE OF COMMONS. WEDNESDAY, APRIL 26. BUDGET.

The Order of the Day was then read, and the House resolved itself into a Committee of Ways and Means.

Mr. Speaker Douglas, in the Chair. The Report of the Select Committee of Finance being previously referred to the said Committee.

The Chairman of the Committee. "In the great and essential prosecution of the business which it is my duty this day to submit to the consideration of the Committee, it is impossible for me not to feel the importance of the business which our existence has occasioned, and still, as it is impossible for me not to feel considerable regret, and great personal dissatisfaction in being compelled, however reluctantly, to propose in addition to the ample and large provision already made towards defraying the expenses of this country in a wide and calamitous war, and to add to the present burthens which are borne with unexampled patience, and to which nothing but the most rigorous necessity could force me to impose fresh burthens. I am conscious the satisfaction of every Gentleman in the Committee will be here on this occasion, and I trust whatever may be their feelings upon this subject, they will give my credit my satisfactions are not less alive. But it is not my duty to dwell on those satisfactions—

Such as I regret the cause of the war, and the calamities with which it has been attended; much as I regret the manner in which the hope of a speedy termination has been obstructed, and additional expenses thereby incurred; much as I regret increasing expenses, where expenses have been so much, and almost infernally increased; and whatever may be my own personal mortification and regret in being obliged to come forward at this a distressful period with new burthens; I feel it, notwithstanding, to be my first great duty to come forward, as I hope and trust the House and country will do with me, with a firm and manly spirit, to convince the enemy that however great may be our distress, however embarrassed our circumstances, we are determined to contend with them as long as we are able, rather than submit to haughty and dishonourable terms. Though we may not be successful enough to accomplish the means by which we can terminate the fatal contest in which we are engaged, consistently with the honour, security, and permanent and essential interests of the nation, let us yet convince our enemies, that our spirit does not desert us in our trials, but that, in spite of every difficulty, we will still be just both to ourselves and to our country. In this intention I trust to meet the sense of the House and the people at large, whose patriotism, justice, and magnanimity, as they never have failed in the most arduous conflicts, will not, I trust, fall now; but manifest on the contrary, that whatever may be the event, they have but one duty to pursue, the safety, honour, and happiness of the Kingdom. Without hesitation, though certainly not without anxiety and regret, I shall now proceed to submit to the Committee what I have to propose. In doing this, it is with pleasure I declare, that I shall not only derive great advantage, but that my labour is materially diminished also by the very able and impartial statements of the first Report of the Select Committee of Finance, which has been printed and this day laid before you. However, in particular parts, I may be justified in differing from those statements, however favourable those statements may be to the general wishes of the House and of the Country, and I am ready to confess they are more favourable than what I can propose. I shall, in this manner, by their direction, and under their sanction, submit to you the plan of my proposal. I shall follow the usual mode of proceeding upon subjects of this nature, and first take a view of the transactions which have caused the expenses which are now called on to provide, and state what sums remain to be provided for; I shall then compare these provisional demands with what have been already provided for in the course of the present year, and submit the plans which I propose for further provision, and in this process I shall be as short and explicit as I can. For this purpose, therefore, and according to the usual practice, I shall first call the attention of the House to the whole amount of services for the present year, with the amount of the sums already voted for defraying them, and the amount of the sums remaining to be voted; after that I shall detail the Ways and Means by which these services have already been defrayed, and by which the remainder may be defrayed; and finally I shall state the specific measures which I mean to ground upon those statements towards the provision for the accumulated interest and charges. For the sake of being clear and intelligible, I shall proceed article by article, under various heads; and, to pursue the customary mode, I shall of course begin with the Navy.

The Committee will recollect, that for the Naval service of the current year, there has already been voted the sum of 7,661,000l. in addition to which the Committee of Supply has voted 5,000,000l. more. Gentlemen will please to recollect, that although I estimated the expenses of the Naval Department at 7,661,000l. I then stated my intention to propose the provision of a further sum of 2,500,000l. in order to remedy an inconvenience which heretofore had arisen, and thereby have 10,161,000l. in cash towards defraying any excess of Navy debt. Such, however, have been the extraordinary exertions and expenses of the war, that there yet remained an unfunded debt of the Navy unprovided for, to the amount of 4 millions. In the statements of the Select Committee a comparison has been given between this outstanding Navy debt and the outstanding Navy debt in 1783, and the Committee has made an allowance for three million. In the Select Committee it appears by the best estimates, that as far as they can be ascertained, the expenses for the Navy service would amount to 12,500,000l. which is short of what I have stated them to be, but exceeding what I formerly considered them. By way of reducing this amount, though I ought to state that a sum of 800,000l. went in aid of the Navy services of 1796, and consequently left the provision for the services of 1797 deficient in that sum, for, however, careful we may be, a part of the expenses will be carried on in Navy bills, tho' certainly to less extent than formerly. In the provision of 12,000,000l. four millions per month would be carried to the ordinary expenses of the Navy, whereby about 110,000l. would be taken away from the unfunded debt. As I suppose there will then be a million, or a million and a half of Navy debt afloat. Such was my former statement, and compared with the statement of the Committee, there is this difference, that it supposes 1,500,000l. of floating Navy debt, instead of 2,000,000l. as the Select Committee of Finance has calculated. I do not know whether I have expressed myself clearly upon this point, but if not, I shall be happy to give any gentleman a further explanation.

The next head of service is the Army, upon which there has been already voted the sum of 10,913,000l. The accounts for foreign corps are not yet made out, but they soon will be, and I have reason to hope their expenses will be less than were calculated in my original statement, and less than they appeared to the Select Committee. I have reason to think this diminution will amount to one half; and that the sum of 3,700,000l. will be sufficient; 6,000,000l. was the total amount estimated for the army establishment, independent of the extraordinary, which is less by 297,000l. than the estimates for the ensuing year by the Select Committee. In 1796 there were some extraordinary expenses of the army incurred, which at present remain unprovided for, to the amount of 3,287,000l. and in the interval of the 8th December and the 1st of January, there was another out-standing demand made evident of 100,000l. which, in consequence of not being paid, is to be added to the other, and makes a sum of—3,387,000l. out-standing army debt to be provided for. It appears by the report of the Select Committee, moreover, that Treasury bills paid at the bank, and warrants for army service due and unpaid, a further sum of 2,081,000l. remains to be provided for, inasmuch as Treasury bills paid at the bank previous to the 5th of January 1797, and those which were due on the 8th of January, but not included, amounted to 1,660,000l. to which were to be added 428,000l. for army warrants. So that the sum total would be as before stated 2,088,000l. The estimated sum to be incurred by the army extraordinary for 1797, according to the report of the Secret Committee, and for the amount of which it is my intention to provide is 4,000,000l. It was not proposed before Christmas to raise any sum of money for this head of service, but so far as any calculation to the latest possible period could be made, the calculation nearly tallied with that sum. It is here to be observed, that the extraordinary of the army are now, for the first time, brought forward by way of estimate, at least they were never done so fully till the present war, but they were paid out of the money granted for other services, leaving the provision for those services deficient to another year. In addition to this, there has been advanced to the Emperor, by way of loan, and which will be due to the public 1,200,000l. and a sum of 900,000l. advanced to the merchants of Grenada and Saint Vincents, which will also be returned. There are further advances, to the Emperor to be set against the expense of extraordinary to a very large amount, for which it will not be necessary to provide a present fund, though I set them down as so much credit against so much debt. The Treasury bills and Army warrants at home, did not go to the extent of 2,088,000l. but there were bills from remote parts, notwithstanding the precautions I had taken to calculate and curtail the expenses abroad as much as possible, which exceeded what was formerly thought upon estimate to be their utmost amount. This might in part be owing to the unforeseen and incalculable operations of the war; however, I did not think it consistent to leave them to rely on distant means of payment, and I chose accordingly to propose for their provision—This comprises all under the head of the Army.

Ordnance. I now come to the ordnance departments, for which there has been already voted the sum of 1,623,000l. and to which I do not mean to propose any addition. I must observe, however, that since the estimates were made, a demand of 300,000l. to pay debentures for stores supplied and services performed, has since come in for part of the ordnance expenses in the same manner as the treasury bills of 1,600,000l. of which I did not then know. To this deficiency may be added another in the barrack department, in which an outstanding debt remains, not merely for the building of barracks, but for the expenses of provision and accommodation, in which the soldiers would have been furnished to the amount of the same charge upon the public if they had been garrisoned in barracks, but had been quartered elsewhere. I mention this to remove any prejudice which might perhaps have otherwise been indulged, and shall conclude this article by recommending the provision advised by the Select Committee of 717,000l. which in the present view of this subject will defray the whole demands. I have now proceeded through the Navy, Army, and Ordnance, in which I do not recollect to have omitted any extraordinary items, except that I have not mentioned a specific additional sum, which I mean to propose for the further relief of his Imperial Majesty in the present critical period, and the particular statement of which I have referred to a separate discussion. As early as practicable, that subject shall be submitted to the consideration of the Committee; but however important it may appear, it is not expedient with my arrangement to enter on it at present.

Miscellaneous Services. The next branch of the supplies is for defraying the expenses of what is called the Miscellaneous Service, which includes the expenses of Plantations, Convicts, &c.—For this there has been already voted the sum of 378,000l. and if I proceed by the estimates of the Select Committee, a further sum of 929,000l. will be found necessary. In this sum 400,000l. is comprised for making provision beforehand for articles it has been usual to pay in the first instance out of the Civil List, and to propose afterwards to Parliament to vote a sum sufficient to repay what has been so advanced. Under this statement, I have not included the provision of any sum which the important domestic happiness of the Royal Family, and the accustomed feelings of the country have allowed as the usual portion with any of the female branches. That provision will come better perhaps hereafter under a distinct and

specific proposition. There is, however, a sum of 600,000l. included, which is proposed to be lent to the suffering Grenada merchants over and above the sums which I have before stated, and which are to be ultimately repaid; but I took occasion to include them in my statement of the actual expenditure, because they are sums for which I find necessary to provide a temporary provision.

National Debt. The next article of supply is the annual provision for the discharge of the National Debt of 200,000l.

Deficiencies of Land and Malt. To this is to be added, the usual provision made for the deficiency of the produce of the taxes upon Land and Malt, to the amount of 360,000l.

Repayments to the Bank. 1,054,000l. is to be provided to repay the Bank for advances upon the growing produce of the Consolidated Fund for 1796, and paid also by the Bank.

Further deficiencies of Land and Malt. I shall propose a further provision of—900,000l. to meet the deficiencies of Land and Malt not included in the estimate, but which I think may probably arise.

Navy and Exchequer Bills. The next sum is 1,110,000l. voted in the Committee of Supply, for the discharge of Navy and Exchequer Bills, raised by an Act of last Session, upon a Vote of Credit in 1796. The House will recollect, that a provision was made for funding Navy and Exchequer Bills, and relieving the Market of so much out-standing debt. There was a party who did not choose to avail themselves of the liberty of funding the Bills they hold, and this sum was to make good their demands.

Consolidated Fund. The next is a sum of 2,177,000l. to make good 3,500,000l. charged by an act of last Session on the growing produce of the consolidated Fund, for the service of the year 1796. 3,500,000l. was the sum granted and thought applicable, but various circumstances had operated to its disappointment. Exchequer bills advanced to the Merchants of Grenada and St. Vincent's, in consequence of the misfortunes in those Colonies were paid in again; a loss was sustained in the product both of the new and old taxes, by the stoppage of our distilleries, the defalcation of which sums was not made good in the year, and to this was to be added the payment of bounties to seamen, by the Receivers of the customs out of the produce of that year's revenue, which caused a defalcation in the produce of the customs; and lastly, the bounties upon the importation of Corn. These circumstances of course would not make the whole deficiencies good, and leave the consolidated fund applicable to the service of 1797; and as I cannot suppose that the Committee would choose to have those sums charged like a mortgage on the consolidated fund, I have provided for its relief, and taken them as an article of supply from the 5th April 1796 to the 5th April 1797.

Vote of credit and Loan to the Emperor. There is only one other sum which remains to be stated, and that is a vote of credit to the amount of 3,000,000l. As 500,000l. has already been advanced to the Emperor, I wish, if it meets with the approbation of Parliament, to be provided with a further sum of 2,500,000l. in order to make further advances, if approved of, as the time and exigencies may require. I state this in order to let the committee know the ultimate amount of what sums it may be necessary to provide; at the same time I desire to have it understood, that I do not mean to pledge any person to a final vote upon further advances to the Emperor, unless for a certain sum to a limited extent, which I shall state before I sit down. Supposing this vote of credit to take place, however, or not, I shall state that as part of the sum to a limited extent, which I deem absolutely necessary at this critical period, to allow the Emperor to fulfill his engagements, together with my reasons for it. I have now gone through the whole of the supply, all the demands for which it was not possible to calculate before Christmas, and throughout my statements of them I have acted on the report of the Select Committee. In so extensive a statement it is impossible for me to hope that I have proceeded so clearly as not sometimes scarcely to have made myself understood; but if any gentleman labours under any difficulty, I shall request him only to follow me through the very able statements of the report, and I believe he will find our accounts tally so nearly in the estimated services and out-standing arrears, as to show the fullest confirmation of the accuracy of my statements. For the sake of being more explicit however, I shall sum up all the heads of the supply in a

RECAPITULATION.

Table with 2 columns: Item and Amount. Items include Navy (12,661,000), Army (6,600,000), Army Extraordinaries (3,387,000), Treasury bills and army warrants (2,088,000), Ordnance (1,622,000), Ordnance, Extraordinaries, and Barracks (737,000), Miscellaneous Service (929,000), Advances to the Merchants of Grenada (600,000), Imperial loan (500,000), Annual addition to Sinking Fund (200,000), Deficiency of Land and Malt (350,000), Repayment to the Bank for advances on the Consolidated Fund of 1795 (1,054,000), Ditto 1796 (1,370,000), Further deficiencies of Land and Malt (900,000), To discharge Exchequer Bills issued on the credit of the consolidated Fund for 1796 (1,110,000), Deficiencies of consolidated fund (2,177,000), Vote of Credit (2,500,000). Total: £38,786,000.

Mr. Pitt computed the sum total at 42,776,000l. but as he omitted the fractions

in his computation, and at other times did not punctually adhere to the statements in the Report of the Select Committee, with which we have made a careful comparison, we trust the Public will not impute any blame to our fidelity for any very apparent ignorance or error.

Ways and Means.

Now, Sir, in regard to the Ways and Means for providing these Supplies, I must beg leave to state, that a sum a little less than seven millions will cover the expense; because a repayment of some of the advances may take place in the course of the year; 1,500,000l. arising from the Taxes on the Land and Malt, will be payable by October, and Exchequer Bills to the amount of 1,600,000l. will repay the Treasury Bills in the next sum paid at the Bank.

My next duty, in the mean time, is to state with what ways and means I am provided to meet the various sums of this large amount. In order to do that, I shall begin with the land and malt already voted, which according to the usual calculation is reckoned at 2,750,000l. The surplus of grants already voted, 400,000l. and the loan by voluntary subscriptions, 18,000,000l. making a sum total of 21,150,000l. There are the only sums already voted towards defraying the expenses of the year, but there were other sums stated in the original statement, of which the first was a lottery. The lottery has varied in the general statement, but taken according to the usual profit, it produces somewhere about 200,000l. By exchequer bills in the former statement, I took credit for 5,500,000l. which is the usual amount of exchequer bills kept afloat—but I do not now think it prudent to rely upon an issue of exchequer bills to that amount on account of the recent embarrassments in public credit. I shall not reckon therefore on a larger issue than 3,000,000l. which is less than the quantity now in circulation. I shall take the surplus of the growing produce of the consolidated fund on a new estimate, on account of the charges on it, and shall therefore take credit for a moderate sum to be derived from that source. This moderation does not rise from any diminution of the permanent taxes, because the report of the select committee on finance confirms my repeated assertions of the flourishing state of the permanent revenue; nor does it rise from any considerable disappointment from the produce of new taxes, because, upon a review of the new taxes levied in 1793, 1794, 1795; and the best estimates of the probable amount of the new taxes for 1796, when any supposition is entertained that they will not be able in their ultimate amount to maintain themselves at the produce at which they were computed, by setting them against the loans since raised, and operating one against the other to a general diminution; it will be found that they go near to counterbalance any deficiency, and are nearly equal to the charge upon the consolidated fund by providing the interest of the funded debt. But it is to be recollected, that although in laying taxes I take credit for an amount which cannot be so productive as I may have calculated, I have generally endeavored soon enough, to meet the increased charge, and prevent an accumulation of unfunded debt. I now stand with the knowledge of two quarters, freed from a mortgage of 1,075,000l. and higher in their computation than I was justified to make them. As heavy as my computation might be, however, I have the satisfaction to hope, the total of the supply may recur before the taxes of next year, though allowance must be taken for both considerations. Every estimate is liable to uncertainty, but the average of the permanent taxes upon 4 years I find to be 13,919,000l. to which adding duties of 1796, I shall have a total fund of 17,803,000l. I am aware of the allowance on wine, from the stock in hand, but in looking at the produce of the sum total of the permanent taxes, and looking forward to distant periods when fresh sums will become due, I have a right to assume that to be the amount; for when we cease to take account of the stock on hand, the annual consumption will replace the deficiency. The taxes imposed for 1797, were reckoned at 2,100,000l. Part of those taxes, it is true, are yet under consideration, but many will take place at an early period. I do not suppose, therefore, that I shall be taking the benefit of the estimate at too much, if upon the whole I value them at 15,000,000l. To this is to be added the further amount of 600,000l. which I suppose to be the nett profit of the taxes which I am about to propose, and the advantage of which we are likely to receive by the 5th of April next, so that the whole yearly amount of the produce of the permanent revenue may then be calculated at 19,903,000l. Mr. Pitt then calculated the various other sums to meet the supplies from the arrears of land and malt, the sale of Dutch prizes, the returns of payment to the bank, the remaining money on hand upon the corn bounties, &c. making a sum total of 42,870,000l. He then discussed the various terms of the loan with the separate conditions as they have been detailed in our paper, and took this opportunity of stating his intention in the preface of the present critical period, to advance 200,000l. to the emperor, in order to enable him to fulfill his engagements in this country; the terms of the loan he left to a future day, but hoped to be able to take them into consideration on Monday next.—Thus far (said he) I have stated the total amount of the different sums which, upon the fairest calculation, I could make, I conceive to be necessary towards defraying the expenses of the present year. I have endeavored to provide for every burthen which the exigencies of the country may require; but at the same time, I do not wish the committee to understand that I consider all my statements free from inaccuracies and inaccuracy. Over and above the interest of the sum that is to be raised by the loan, there are some other articles to be annually provided for; one of these is the sum to be allowed to the commissioners ap-

pointed for the reduction of the national debt, which amounts to about 2 per cent. and which, added to the interest of 6l. 7s. 4d. will make the whole 8l. 7s. 4d. With regard to the loan of 18 millions, I must observe, that after a certain part of it shall be applied to the service of Ireland, and another to that of the emperor, the total amount of the charge to this country will be no more than 13 millions; and this charge will appear to be still less when it is considered that a considerable part of it is to go to the diminution of exchequer bills. There is at present a floating navy debt of about four millions, two millions of which existed at the beginning of the war. In consequence of the difficulty of procuring cash, this sum cannot probably be diminished at the present period; nor paid off till the war shall be put an end to. I would not provide a higher interest for it than 5 per cent. The whole of this interest, therefore, will amount to the sum of 175,000l. There is also a deficiency of 100,000l. in taxes, which is to be provided for; so that the whole of the taxes which it is necessary to raise for these several purposes, will amount to between 1,000,000l. and 1,200,000l. There is another question which is necessarily involved in the present subject, but which, as it is to be a matter of distinct discussion, I will not enter into at present. I shall barely mention the circumstance. The nature and terms of the last loan, which I submitted to this house, must naturally be in the recollection of most gentlemen, I will, on a future day, put it to the consideration of the house, how far the subscribers to that loan should have been losers in consequence of the great discount upon it. That will appear more clearly from the circumstances attending the present unexpected loan. It will certainly be necessary for the house to adopt some measures which shall make up the losses to those gentlemen, who, in a moment so critical, came forward and displayed their patriotism and loyalty, by contributing so largely to the exigencies of the country. In considering the amount of the new taxes which I have thought it necessary to lay before the committee, I have made no estimate of those which were created before Christmas, in the last budget, because in so short a time an accurate estimate could not be taken: and I have therefore supposed in my present calculation that they will be as productive as I then stated at the opening of that budget.

New Taxes.

I now proceed (said Mr. Pitt) to enter upon that pleasant task which falls to my lot, of proposing to the committee the general outlines of such sources of taxation, as have appeared to me least objectionable, and best calculated to produce the means of meeting all the difficulties of our present situation. The Committee must not suppose that there can be any taxes whatever which will not be liable to many objections; but I trust that when they consider the necessity of raising taxes to a certain amount, and of providing for unavoidable expenses, they will agree with me that those which shall appear to fall most lightly upon all descriptions of people, ought to be chosen in preference to any others. I hope that while the Committee meet the propositions I have to make with a firm determination to discuss them, they will also consider that it ought to be their first object to obtain effectual taxes. Among the different branches which form the objects of taxation in this country, there is one great source of productive revenue extensive in its operation, not pressing on any particular description of persons, and least of all upon the lower orders of people, a mode of taxation which is safe and expeditious in the mode of collecting it, and what is still more advantageous, will not require any additional expense either with respect to new officers or increase of salary to those already employed in performing that part of the public service. This source of revenue is the general branch of the Stamp Duties, which for the last 15 years has been rapidly increasing; and has been doubled since the last war. My general object in laying additional duties on this vast branch of revenue, is to make a distinction between different articles, some of which I shall tax in a greater proportion than others, while some are to be exempted altogether. The greatest addition is to be laid on those which go under the general denomination of Consolidated Duties. These are of that description, where stamps of the same denomination have been applied generally to different kinds of instruments. They include a variety of articles. The principal of these relate to the transfer of property, to deeds, adjunctions, and proceedings in the ecclesiastical courts. My object, as I have just observed, is to see what augmentation may take place by levying a tax on the whole mass of stamps. But it is my intention to exempt from the general tax all instruments that relate to law proceedings in courts of justice. I know that an opinion has prevailed, and with some degree of justice, that by taxing articles of this description, and by that means increasing the expenses of law suits, the frequency of litigation between parties might in a great measure be prevented; but this rule is not in general true. In the case of a suit between persons who only sought to recover their property; and particularly in several of the lower classes of the people, who are often under the necessity of appealing to courts of justice against those who would wish to take advantage of their inability, and refuse the payment of debts which may be justly due. I would also except from taxation all probates of wills under the same denomination; nor do I mean to propose any tax upon legacies, because a recent duty has been laid upon them in another form; under the same class I would also include policies of insurance. On the general bulk, therefore, of stamps, I would propose, to double the present amount, and that will produce, annually, a sum of 2,000,000l. But I mean to except from this general plan, some of the parchment which has been stamped, and instead of doubling the duty on, I shall propose, that where one shilling shall be laid upon it, an additional duty of only 2s. shall be laid upon it. From the full information which I have received from the different offices on this subject, it has appeared to me, that this is the best mode of taxing the same description, and that by such means it will be equally productive with the other taxes of the same description. With respect to duties on transfers of personal property, where stamps may be necessary to give it validity, there is no subject of taxation which ought more freely to give a contribution to the public than that which must fall so lightly on every individual who may happen to be in possession of ample means to defray a charge that must, in such circumstances, be comparatively trifling, and no ways burthensome to the individual who pays it. Over and above the duty upon this branch, I mean to propose some duty for transfer, accord-