

Lord William Wyndham Grenville

War taxes Extension bill  
(1809)

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## **WAR TAXES EXTENSION BILL.**

HL Deb 7 June 1809 vol 14 cc. 912-7

Upon the question for the third reading of the Bill for charging the Loan for the service of the year, and the amount of Exchequer Bills, funded in the present session of parliament, upon the Duties granted to his majesty during the War,

Lord Grenville said, he felt it an irksome task, upon the present occasion, to call their lordships' attention to this subject of finance at this very late period of the session, when the attendance was so thin, and when he had to address nearly empty benches. Ministers seemed determined, that their lordships should scarcely have an opportunity of discussing this bill, by taking care to bring it up to that house at a period when a full attendance could scarcely be expected; they did not even condescend to state its object, and thus it was, that a bill for imposing taxes in perpetuity upon the country, to the amount of a million a year, had hitherto passed through the greater part of its stages unnoticed, and almost unknown, and he even doubted whether many who heard him were at all aware, or had even a suspicion, that the object of the bill was to impose taxes to the amount of a million a year in perpetuity upon the country. The noble earl (Liverpool), in contending that the annual expense of the war could not be definitely fixed at any limited sum, had contended for that, which nobody could doubt. Every one must be aware that the sum could not be precisely limited within the bounds of any previous calculation; but here was an increase of expenditure, in the course of two years, to the amount of 9,000,000l.; and yet, notwithstanding this enormous increase, a general apathy seem[913] ed to prevail in the public mind upon the subject. The people, wholly indifferent to this most important consideration, were occupied in discussing minute points, with respect to which it was impossible that from any practicable modification any material alleviation of their burthens could arise, and those were only deluding them who endeavoured to persuade them that such would be the result. The

enormous increase of 9,000,000*l.* in the public expenditure, and that in the short space of two years, was surely a subject of no ordinary importance, and demanded the most serious investigation. The noble earl had declined going into the discussion of those political measures from whence this enormous increase of expense had arisen; but surely it was not enough to say, that this augmentation of expenditure had taken place in consequence of these measures, and that therefore it was unnecessary to inquire into it; that the expense had been incurred, and therefore it was needless to go into the discussion of the political measures which occasioned it. Some substantial reason ought to be given to their lordships and the public for so enormous an increase of expense. Looking to the situation and the resources of the country, it must be at once evident that the greatest error, where all was error, was this enormous increase of the expenditure of the country, and this at a time when it was more than ever necessary that we should husband and economize our resources. The noble earl had objected to the financial plan of the late administration, that it assumed a definite annual expenditure, which it was impossible to keep within; but it surely must be evident to every one, that some definite sum must be taken, in order to found upon it any precise detailed calculation. It might not have been, practicable to keep down the annual expenditure to 32 or 33,000,000*l.*, stated in that plan, though he thought much might have been done towards the attainment of that object; but the great advantage of that system would have been, that the excess of expenditure above that sum being to be provided for by immediate taxes, parliament and the country would have been fully aware of the increase of the expenditure by the proposed increase of taxes, and a salutary inquiry into the cause of that increase would have been the necessary result. On the contrary, under the plan of the present ministers, the people were to be deluded with the shew of imposing [914] no taxes, whilst the enormous increase of expenditure was kept out of sight, and a permanent burden was imposed, which tended to the ruin and destruction of our resources. The noble earl had stated, that under the plan of the late administration 3,600,000*l.* would now have been mortgaged, and that under the present plan 2,200,000*l.* only were mortgaged; but mark the difference, by the former there would only have been an annuity for fourteen years with the improved operation of the

sinking fund created, whilst by the present plan a burden of 1,000,000l. a year was imposed for ever upon the country. The present ministers had no sooner come into office, than they set about deranging this plan of their predecessors. It was true that it was partly adhered to in the first year; but with this marked difference, that the property tax was included in the pledge, which it was the object of the late ministers to exclude. By the plan of the late administration, the war, as stated by his noble friend (lord Sidmouth,) might have been carried on indefinitely. The enemy aiming at nothing short of our destruction, had adopted two modes of attempting that object, which he sometimes pursued united, sometimes separately; the one was direct attempts upon the country, the other endeavouring to wear us out by protracted hostility and, thereby exhaust our resources. To repel the former, we must rely upon the valour and discipline of our navy and army, to the spirit and bravery of the people. To meet the latter, it became necessary to adopt some permanent plan which should place our resources beyond the peril of being thus exhausted by the artifices or obstinacy of the enemy. It was with this view that the plan of the late administration was formed, under which each portion of the war taxes, after paying off in fourteen years the sums charged upon it, would have been released from all incumbrance, and again applicable to the public service for a similar purpose; and thus we might have been enabled to maintain the dreadful contest in which we were engaged indefinitely, and convince the enemy, that he could have no hope in continuing the war of being enabled either to exhaust our means, or to render us more accessible to his power by any perseverance in his designs against our finances. But what must be the consequence if the plan of the present ministers were persevered in? by pledging one [915] million a year in perpetuity, it must be evident to every one, it must immediately be evident to the enemy, that at the end of a certain definite period our resources must be utterly exhausted; for when the war taxes should be in this way all mortgaged in perpetuity, to what resource could the noble earl then resort to carry on the war, or to support the credit of the country? He was, however, glad to hear from the noble earl, that this arrangement of the present year was not intended as part of a system that was to be permanently acted upon; and he was anxious to hear what was the system which ministers had in their contemplation; but,

in truth, there appeared to him to be no system at all contemplated by them either in their financial or their political measures. The maxim of the noble earl seemed to be "sufficient for the day is the evil thereof;" and all that was looked for was to provide for the pressing occasion and to satisfy the exigency of the moment. The noble earl, when he had proposed this measure, was evidently at the end of his finance, and looked no further than next year, when a new supply must be raised and a different experiment resorted to. He was surprized to hear from the noble earl, at a distance of two years, that the plan of the late administration would have operated as a breach of faith towards any description of persons, still less to the public creditors. No persons were more alive to their interest, and justly so, than the public creditors, and yet from those gentlemen no complaint of this nature was heard when the arrangements of the late administration were brought forward. So far from it, that at the time of negotiating the loan, after this plan was brought forward, when he (lord Grenville) was in office, one of the gentlemen who had contracted for it told him that the advantageous terms then obtained for the public were to be solely ascribed to the salutary operation of that plan. Upon what terms could the present ministers expect to borrow, if the war taxes were to be mortgaged in perpetuity?—a measure so pregnant with danger and injury to public credit. He could not quit this subject without again deprecating and condemning those measures which had been the principal cause of the late enormous increase of our expenditure.—He was thoroughly convinced that no possible advantage could be derived from continuing to keep up a British force in Spain. A [916] system of utter delusion had been practised with respect to the state of affairs in that country, where there appeared no hope of maintaining an advantageous contest, or prosecuting the war with any prospect of a successful issue. To carry on a land war on the continent was the greatest impolicy of which we could be guilty, and in direct opposition to the only system of policy to which we ought to resort—to that of husbanding our present resources in order to secure the means of our ultimate defence. His lordship proceeded to ask what we had gained by this increased expenditure, and by the addition thus made to our debt? We had gained the convention of Cintra, the retreat of Salamanca, the loss of our brave officers, and the dispersion of our army,

as an army.—What, on the other hand, had we lost? We had considerably lost in having an increase to our debt of 9,000,000*l.* and an annual burden of 1,000,000*l.* additional imposed on the people of this country. The burthens altogether to which not the higher nor the lower, but the middling class of the community of this country had of late years submitted to, were inconceivable. He was one of those who, far from countenancing or supporting, highly reprobated and disapproved of the practices resorted to in order to excite clamour and disaffection; but at the same time he must caution ministers not to refuse their attention to the voice of the well-affected, and the unaffected expression of the sentiments of the nation. He could not forbear from expressing his surprise that a most unqualified attack should have been made upon the proposition made by him (lord Grenville) while in office, by the noble secretary, who now himself proposed to carry through a measure which went so far, he must add, extremely beyond what he (lord Grenville) had ever had in contemplation. He requested of the house to bear in mind the opposition which the noble lord opposite, and those who acted with him, had shewn to the proposition which he had formerly submitted, and to compare that proposition with the present measure. The present, he contended, was a measure which had uniformly been discountenanced by Mr. Pitt, by his noble friend (lord Sidmouth,) and by the administration of which himself formed a part. The plan which he had in view would have affected part of the war taxes, at the very most only for [917]fourteen years, though, in his mind, for a far shorter period; the present measure went to affect them permanently. It had gone abroad in the country, that he approved of the present measure, and this he wished most explicitly to deny. He esteemed the present the most destructive financial measure which could be adopted. His plan, he begged to remind their lordships, also went to provide an immediate and permanent peace establishment, whereas in the present plan no such thing was thought of.