

**THE BUDGET AS IT
IS, AND AS
IT MIGHT BE**

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ERRATA.

Page 9, line 11—for *dispenser* read *excuser*.

Page 38, line 57—for 600 read 640.

Page 39, line 16—for 9.102, read 91.02.

Page 47, line 2 from the table—for *fifteen*, read *fourteen*.

Page 61, line 14—for *cut* read *cost*.

THE BUDGET AS IT IS,

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THE necessity of a radical reform in our financial economy, and of a sweeping reduction in the public expenditure, is becoming every day more and more apparent.

The adherents of the old system may affect to jeer at those innovators who, like Mr. Cobden, advocate a wholesale cutting down of the public establishments, but the attempt to stem the torrent is vain. Each day brings new converts to the doctrines of these apostles of retrenchment, and each discussion tends to give strength to their opinions; unity and organization to their proceedings.

Time was when the partisans of free trade were sneered at in the same way, and it was said, "How can we do away with protecting duties when other nations maintain them?" But the conviction got abroad that this reciprocity of injury was needless and impolitic; and men of eminence at last dared to say, that if other nations chose to adopt a suicidal course, it was no reason why we should do the same.

The same conviction is making its way with respect to warlike establishments; and though the day may not yet have arrived for giving it the same practical application that it has received with respect to commercial regulations, yet it must be evident to all who watch the signs of the times that the moment is fast approaching when this opinion will become general, and will be acted upon by the ruling powers of the nation,—and let that once be done, we would venture to prophesy that the alarmists of the present day, who are ready to predict the ruin of the country if a single man were taken from the military or naval forces, would accommodate themselves to an extensive reduction of those establishments as speedily as did the protectionists, till roused anew by the late agitation, to the repeal of the corn laws, from which they too foretold ruin as certain and as imminent.

What would be thought of a private individual who was exceeding his income every year, and conceived he was making a very great concession by saying to those who upbraided him with his prodigality—"I will put my carriage and four on a more economical footing. I will give my

horses less corn, and I will have but one footman behind instead of two, but the carriage itself I cannot think of putting down?"

Now the English ministry and its adherents have, to the present day, been arguing like such an individual. They say, 'We are quite ready, if possible, to repair all our ships in two dockyards instead of three; we will give the naval officers a fillip in order that they may be more active. We will reduce some salaries and unite some offices under the same person; but, for heaven's sake! don't ask us to impair the efficiency of the public establishments as they now stand.'

It is true Government has reduced the naval and military forces this last year, but they have done so because they were *compelled* to that step from the actual deficiency of the revenue, and the refusal of the House of Commons to listen to an increase of the income-tax. This very exception, under the particular circumstances in which it occurred, strengthens the argument that ministers are always doing the same thing as the prodigal individual in the case we have been supposing.

Now, we partisans of economy say to the private individual,—“ You must not be content with keeping your carriage at a less cost, but you must put it down altogether;” and we say to Government, “ You must not stop at little savings in the keeping up of the present army and navy, but you must make wholesale reductions in the *number* of men, till you arrive at a figure of expenditure consistent with the state of the public income and the national burdens.”

“ But,” say the acolytes of the *status quo* party, “ We must maintain the army and navy at their present force, or we shall not be in a condition to attack an enemy, or even to resist him if we are invaded.”

Now, granted for a moment that it is fair and honourable in a nation to do that which would be reprehensible in a private individual; granted that you have a right to push taxation to its utmost limits, to resort from time to time to loans, and to eat up the capital of the country by degrees in unproductive occupations.

Granted all this, and yet it cannot be denied that you are incurring a *certain* and *continual* inconvenience for the sake of warding off an *uncertain* and entirely *prospective* evil.

We Englishmen blame the continental nations of Europe, and very justly too, for their system of passports; and we say, that even if it be admitted that a few evil-doers are secured, through its agency, who would otherwise escape, the *uncertain* advantage accruing from this, cannot be set in the balance against the *certain* disadvantage of a restriction which weighs heavily upon a majority of the population. In other words, that the sum of evil entailed by the measure is much greater than the sum of evil prevented.

In order to see how far this argument may be applied to the case under discussion, let us endeavour to appreciate the evils occasioned, and the probable evils warded off by the present system of expenditure.

There are on the Continent a number of secondary states who have not, like us, a sea frontier and a navy to protect them, nor an army of nearly a hundred thousand men, and who are lying almost defenceless in the immediate neighbourhood of powerful nations. Yet we do not find that a single second, or third-rate state, has been invaded for the

purposes of conquest since the year 1815. Belgium and Holland have existed undisturbed by the side of France and Prussia; Switzerland between France and Austria; and even the Italian States have been free from any attacks, but those made in behalf of the authorities themselves of those States.

If the more powerful continental nations have abstained from all inroads upon their feeble neighbours, which appear such an easy prey, how much less would they be disposed to try the hazardous adventure of invading a country unapproachable but by water, and containing a population of seven-and-twenty millions?

Here, then, is the *contingent* evil to be warded off. At present let us examine the *certain* evil entailed.

Since the peace of 1815 we have spent in the national defences alone—

Years.	Navy.	Army.	Ordnance.	Totals.
	£	£	£	£
1817	6,473,063	9,718,066	1,417,648	17,608,777
1818	6,521,714	7,786,979	1,247,197	15,554,890
1819	6,395,553	8,998,037	1,243,639	16,637,229
1820	6,387,799	8,944,814	1,092,292	16,424,905
1821	6,107,280	8,136,845	1,183,727	16,427,852
1822	5,043,642	7,698,374	1,007,821	13,749,837
1823	5,613,151	7,351,992	1,364,328	14,329,471
1824	6,161,818	7,573,026	1,407,308	15,142,152
1825	5,849,119	7,579,631	1,567,087	14,995,837
1826	6,540,634	8,297,361	1,869,606	16,707,601
1827	6,444,737	7,876,682	1,914,408	16,235,812
1828	5,667,970	8,084,043	1,446,972	15,198,985
1829	5,902,339	7,709,372	1,569,150	15,180,861
1830	5,309,606	6,991,163	1,613,908	13,914,677
1831	5,689,859	7,216,293	1,472,944	14,379,096
1832	4,882,835	7,129,874	1,792,317	13,805,026
1833	4,360,235	8,590,062	1,314,806	12,265,103
1834	4,503,909	6,493,925	1,068,223	12,065,057
1835	4,099,430	6,406,143	1,151,914	11,657,487
1836	4,205,726	6,473,183	1,434,059	12,112,968
1837	4,750,658	6,521,716	1,444,623	12,716,997
1838	4,520,428	6,816,641	1,384,681	12,720,750
1839	5,490,204	6,542,662	1,951,210	13,984,076
1840	5,597,511	6,890,267	1,631,640	14,119,418
1841	6,489,074	6,418,422	1,815,132	14,722,628
1842	6,640,163	5,987,921	2,174,673	14,802,757
1843	6,606,057	5,997,156	1,910,704	14,513,917
1844	5,858,219	6,178,714	1,924,311	13,961,244
1845	6,809,872	6,744,580	2,109,707	15,664,159
1846	7,603,464	6,899,699	2,361,534	16,864,697
1847	7,747,156	6,913,816	2,679,124	17,340,096
1848	7,764,020	7,037,796	2,801,760	17,603,576
£	188,236,235	239,805,863	59,368,948	477,410,446

In 1792 the expenditure was, for the Navy, £2,749,698; Army, £2,511,609; Ordnance, £458,520; total, £5,719,827.

Now admitting, for argument's sake, the very questionable hypothesis that the conquest of the Cape of Good Hope, of the Ionian Islands, and other possessions—that the settlement at New Zealand, and the various Colonies established since 1792, were politic and judicious, we will allow a million and a half excess over that year's expenditure on account of the new acquisitions, and of the pensions and half-pay that the increase of the forces during the war had entailed, which would make a total of £7,219,827; and this sum multiplied by 32, the number of years from 1817 to 1849, makes £231,034,464, being £242,375,982 less than the actual amount expended during those years.

Again, the average annual expenditure of the 32 years for these three branches of the public service was £14,794,076. Now, if £7,219,827 only had been spent, there would have been a yearly saving of £7,574,249, which being applied to the reduction of the national debt, supposing the accumulation to have taken place at the rate of $8\frac{1}{2}$ per cent. per annum, would have redeemed upwards of £450,000,000 sterling, or £500,000,000 of 3 per cent. stock even if purchased at 90, and less than ten years would have sufficed to pay off the remainder.

The evil entailed is, then, the entire loss of more than four hundred millions; the evil to be avoided, the most improbable, and next to impossible chance of a hostile incursion.

When Louis the XIV. had bombarded Algiers, it is said the Dey enquired how much the expedition had cost, and on hearing the amount, exclaimed, "Why, for half the money I would have bombarded the town myself!" Might we not say in the same strain, "For half the money the national defences have cost since the peace we would have burnt Woolwich and Sheerness, nay given up London itself to pillage, so far as the cost of reinstating the property destroyed is concerned." The money that might have been saved, would, as shown above, have paid off the greatest part of the national debt, and England would be now, or at all events, in a few years time, the least taxed country in Europe.

But what if the means are after all inadequate, nay, contrary to the end in view; what if the sacrifice be worse than gratuitous, and if it increase the danger instead of guarding against it?

However paradoxical the proposition may appear, that an increase in the numerical force of the army and navy renders the nation less fit for war, it is nevertheless borne out by logical deductions and by past experience. Let us take for example the year 1792, which has been proposed above as a model worthy of imitation, and then consider the years 1793 and 1794, which followed. Those who are as fully convinced as ourselves that the country, despite its immensely augmented population, would be now unable to enter into such a gigantic contest, and send forth, on so short a notice, such enormous armaments as it did in those years, will find that the proposition is not so irrational as it might at the first blush appear, and will, perhaps, be disposed to listen to the arguments that may be adduced in its favour.

It is not going to be denied that if the warlike establishments of the country were upon the *war footing*, their increased force would bring with it increased security; neither is it to be denied that, *ceteris paribus*, it is better, with a view to defence or aggression, to have a hundred thousand

soldiers than to have ten. But neither of these conditions exist—neither the *war footing*, nor the *ceteris paribus*.

Every one who has studied the military part of historical events is aware that the largest peace establishment does not, and cannot preclude the necessity for heavy expenses on the breaking out of a war. If even the forces are not to be increased, there are transports to be effected, camps to be established, extra wear and tear of stores of all sorts, augmented consumption of ammunition, and a thousand other incidental causes of expense. The question then becomes inevitably a financial one, and that country is in the best condition to go to war whose money resources are the greatest. With a full exchequer everything may be procured, and above all, men; with an empty one there are neither men, nor stores, nor ships to be had, and the means already in hand become unavailable from the want of resources to call them into action, and to give them the requisite extension.

The history of the last sixty years furnishes us with abundant proofs of this fact.

The first and most striking instance is that of the years 1792 and 1793, above quoted. On the 1st January, 1793, we had 13,739 seamen and marines; and on the 31st December, of the same year, 76,665!*

Now, though the possibility of raising a loan, even at the present moment, for a *temporary* purpose is not to be doubted; yet it is very much to be doubted whether, for any purpose, but that of repelling an invasion, it would be possible between this and twelve months, either by loans or by taxes, to raise sufficient to bring our naval force to the same pitch, *with the prospect* such as existed in 1793, *of having to make similar sacrifices during an indeterminate series of years*.

If our ancestors had been as improvident as ourselves, and had kept up a force of forty thousand seamen, and a hundred thousand soldiers, from the close of the American war, till the year 1792, instead of husbanding their resources, they too would have been unable to go to war.

The next instance that occurs is in the period from 1839 to 1840. We were then, through the *improvidence*, as it is called by some of Sir Robert Peel's government, in a tolerably fair financial position; and from that circumstance we were enabled to bring such forces as we had into vigorous action. The French government, on the other hand, had been squandering the public money with the utmost profusion; and the consequence was, that in spite of the material means already prepared, and of the warlike disposition evinced by a very numerous and powerful party, they were unable to go beyond vain threats.

Let it not be inferred, however, from this eulogium of the economy of 1792 and 1835, that we would speak in the same laudatory strain of the use made in following years of the resources which that economy had procured. If retrenchment were necessarily followed by insane wars, like that against the French Republic, or by barbarous and impolitic expeditions like that in Syria, we should then cease to advocate it, and would rather recommend an increase of the establishments, in order that

* See appendix to Report on Navy Estimates. Session 1843, page 863.