

The GrEco Project

Grenville's Economics

Lord William Wyndham Grenville

An Essay on the Supposed Advantages of
a Sinking Fund. Part the Second.

[1828]

Transcription: Christophe Depoortère

[f. 90r]¹ Sinking Fund. Part II.
Contents, &c.

[f. 92v] *Contents*

Introduction

²Motives which have led to the ³continuation of this Essay⁴

Chapter I.

⁵Of a sinking fund as considered either⁶ as ⁷ a resource in unforeseen emergencies, or ⁸ a ground of increased confidence in the stability of our financial system.

1. Questionable policy of ⁹ providing by anticipation for the extraordinary expenditure of the state.

2. No such effect can properly be ascribed to a sinking fund

3.¹⁰ [f. 91v] ¹¹ Evil effects¹² of a confidence in ¹³ imagined but unreal public prosperity or power.

¹⁴[f. 93r] Chapter II

Of the supposed tendency of a sinking fund to ¹⁵ raise & uphold the¹⁶ price of stocks.

¹ MS in British Library Add. MS. 59433 ff. 90-103v.

² “General View of the Supposed Indirect Advantages of a Sinking Fund” is deleted

³ “continuation of this Essay” is deleted

⁴ “further prosecution of this inquiry” is inserted.

⁵ “Of a sinking fund considered as a provision for unforeseen exigencies” is deleted

⁶ “as” and “either” are inserted.

⁷ “affording” is inserted.

⁸ “as” is deleted.

⁹ “such a provision” is deleted.

¹⁰ “3. Mischiefs & dangers of a reliance on imag” is deleted.

¹¹ “mischiefs & dangers” is deleted.

¹² “Evil effects” is inserted.

¹³ “imaginary” is deleted.

¹⁴ “Chapter II The belief & ostentation of unreal political” is deleted It replaced another deleted sentence reading: “A reliance on the belief & ostentating imaginary & unreal political”.

¹⁵ “produce generally and permanently a high” is deleted.

1. Statement of the question
2. No such effect as is here supposed ¹⁷ can ever result¹⁸ from [f. 94r] our present sinking fund.¹⁹
3. ²⁰ [f. 93v] ²¹ A sinking fund created or maintained for such a purpose ²² could effect it only by the means of surplus taxation.²³
4. Of the²⁴ expediency & the justice ²⁵ of these means, as subservient to that end. [f. 94r]
- 5.²⁶ Natural self- counteraction of the means by which a sinking fund is alledged to produce that effect.
- 6.²⁷ Extent to which the above reasoning is affected by circumstances peculiar to our financial system.

[f. 95r] Chapter III.

Of the alledged benefits of a sinking fund in compelling an increased accumulation and production of national wealth

¹⁶ “raise & uphold the” is inserted.

¹⁷ “have ever resulted” is deleted.

¹⁸ “can ever result” is inserted.

¹⁹ “No such effect can result from such an institution so long as it is upheld only by borrowing and none such can therefore have been hitherto produced to any considerable amount by our [f.94r] present sinking fund” is deleted.

²⁰ “Inexpediency and injustice of now imposing or levying a fresh surplus taxation for that purpose” is deleted.

²¹ “The execution of such” is deleted.

²² “would demand a surplus taxation” is deleted.

²³ “Any sinking fund to be now established for that purpose can effect it only through” and “such a purpose therefore can now be effected only by two means” are deleted.

²⁴ “Of the” is inserted.

²⁵ “conced” is inserted.

²⁶ “4” is deleted.

²⁷ “5” is deleted.

[f. 96r] Sinking Fund. Part II.

[f. 97r] Essay, etc.
Part the Second

On the Supposed Indirect Advantages of a Sinking Fund, And on some other circumstances connected with it.

[f. 98r] Introduction [first draft].

Inducements to the further prosecution of this enquiry.

Since the publication of the first part of this Essay, Parliament has determined to re-establish the sinking fund, but under forms and principles essentially different from those of its previous institution. No small part ²⁸ of what was most objectionable [f. 99r] in the former system is ²⁹ relinquished, ³⁰ the change is so great & ³¹ in many respects so beneficial, ³² as to ³³ afford the ³⁴ most powerful of all instruments for examining still farther into ³⁵ the value of what is ³⁶ yet ³⁷ retained, in the very moment of adopting so great, and, in many respects, so beneficial a change, it can be no disrespect to ask whether the legislature has even yet reached the true limits [f. 100r] of practicable improvement?

The decision of a single Session can therefore present no just obstacle, but offers on the contrary a very powerful encouragement to the further examination of this subject. The occasions of renewing this discussion must perpetually recur. They are necessary ingredients of every deliberation [f. 101r] which seeks to apportion the expenditure of

²⁸ “So much” is inserted and deleted.

²⁹ “now” is deleted.

³⁰ “and when so much is altered, we are irresistibly impelled still further to examine” is deleted.

³¹ “at the same time” is deleted.

³² “that we are” is deleted.

³³ “as to” is inserted.

³⁴ “only” is deleted.

³⁵ “the change is so great & in many respects so beneficial, as to afford the most powerful of all instruments for examining still farther into” is inserted.

³⁶ “still” is deleted.

³⁷ “yet is inserted”.

the country to its revenues and its wealth. The legislature is at all times bound to act, or forbear to act on this subject, according to the fresh views which are continually presenting themselves of the condition and prospects of their country. A full and a correct view therefore of the principles by which this [f. 102r] ³⁸ great branch of policy ought, under different circumstances, to be regulated, are and ever must be objects of laudable pursuit, and of high public interest. They must especially so appear to us as we are more and more convinced that in the sedulous avoidance of every attempt to provide by uniform and unchangeable measures [f. 103r] for distant contingencies perpetually and essentially variable¹.

[f. 98r] Introduction. [second draft]

Inducements to the further prosecution of this enquiry.

Since the publication of the first part of this Essay, Parliament has determined to re-establish the sinking fund, but under forms and principles essentially different from those of its previous institution. No small part ³⁹ of what was most objectionable⁴⁰ “in the former system”⁴¹ has been relinquished; & the change is not only in itself, ⁴² highly

¹ [f. 102v] *Note* Mr Courtenay’s general urbanity and candour I willingly acknowledge. But by what logic does he represent a man (contrary to the whole tenor of his life), as a “contemner of systematic policy”, because he censures the excess of that policy in a single case, to which he shews it to be peculiarly inapplicable?

That it sis so, who can doubt? The system of the sinking fund [f. 103v] for example was actually the same in 1826 as in 1828. Can M^r Courtenay himself think that its policy was in no degree different? Does the universal distress of a community add nothing to the pressure of its burthens? Or is this a circumstance of no account in its estimate of their expediency?

³⁸ “large” is deleted.

³⁹ “So much” is inserted and deleted.

⁴⁰ From here, two different versions of the text were developed.

⁴¹ “in the former system” is inserted.

⁴² “but also a strong” is deleted.

beneficial but also [f. 98v] a ⁴³ strong inducement to the subject. In the moment of altering so much ⁴⁴ ⁴⁵ even the most scrupulous of change are led⁴⁶ to ask whether the ⁴⁷ just⁴⁸ limit of practical improvement ⁴⁹ has even yet been reached.

The decision of a single session could not indeed by any ⁵⁰ possibility ⁵¹ have been⁵² conclusive ⁵³ in this matter. ⁵⁴ ⁵⁵ ⁵⁶ Its ⁵⁷ reconsideration⁵⁸ ⁵⁹ ⁶⁰ must be⁶¹ a necessary ingredient of⁶² every deliberation which shall⁶³ aim⁶⁴, at whatever moment, to apportion the expenditure of the country to its revenue, & its wealth. ⁶⁵ The legislature must ⁶⁶ annually⁶⁷ act or forbear to act on this subject, according to the new views which are continually presenting themselves of the condition & interests of the community. ⁶⁸ True wisdom ⁶⁹ in⁷⁰ this ⁷¹ “branch of government ⁷² will best be shewn by a”⁷³ [f. 99v] sedulous avoidance of

⁴³ “source of much encouragement” is deleted.

⁴⁴ “[?] it is material” is deleted

⁴⁵ “even the most cautious” is inserted and deleted.

⁴⁶ “even the most scrupulous of change are led” is inserted.

⁴⁷ “true” id deleted.

⁴⁸ “just” is inserted.

⁴⁹ “in this case” is deleted.

⁵⁰ “possibly” is deleted.

⁵¹ “be” is deleted.

⁵² “have been” is inseted.

⁵³ “on” is deleted.

⁵⁴ “Its discussion [she?]” is deleted.

⁵⁵ “A fresh discussion” is deleted.

⁵⁶ “The” is deleted.

⁵⁷ “continual” is deleted.

⁵⁸ “re” is inserted.

⁵⁹ “is” is deleted.

⁶⁰ “of it is necessarily involved in” is deleted.

⁶¹ “be” is inserted

⁶² “a necessary ingredient of?” is inserted.

⁶³ “shall” is inserted.

⁶⁴ “s” is deleted

⁶⁵ “In every such case” is deleted.

⁶⁶ “always” is inserted and deleted; “continu[?]” is inserted and deleted.

⁶⁷ “annually” is inserted.

⁶⁸ “True policy” is deleted.

⁶⁹ “on” is deleted.

⁷⁰ “in” is inserted.

⁷¹ “point consists in the found only” is deleted.

⁷² “is to” is deleted.

⁷³ “branch of government will best be shewn by a” is inserted.

every attempt to fetter that discretion, & to provide by unchangeable measures for ⁷⁴ remote⁷⁵ contingencies, perpetually & essentially variable.

[f. 99v] The expression of this opinion, which I confidently reassert, has brought upon me a reproach to which ⁷⁶ perhaps above all others I ⁷⁷ feel myself⁷⁸ least liable, that of being a “contemner of systematic policy”. M^r. Courtenay general urbanity, & candour, I willingly admit. But by what sort of logic does he draw this conclusion, contrary, as he admits, to the whole tenor of my life, from the part of my having censured the ⁷⁹ abuse of such policy in a single case to which I have shewn it to be peculiarly inapplicable? That it is so who can doubt? The system of the sinking fund for example⁸⁰ was ⁸¹ precisely the [f. 100v] same in 1826 & 1825. Does M^r. Courtenay himself think that its expediency was also precisely the same in those two periods? Has universal distress no effect in aggravating, has reviving prosperity none in alleviating the pressure of our public burthens? Or is this a circumstance of an account in estimating their policy?

But this charge confounds⁸² two things ⁸³ in their nature most opposite: a systematic policy & ⁸⁴

⁷⁴ “distant” is deleted.

⁷⁵ “remote” is inserted.

⁷⁶ “if I [?]” is inserted.

⁷⁷ “am” is deleted.

⁷⁸ “feel myself” is inserted.

⁷⁹ “excess of?” is deleted.

⁸⁰ “for example” is inserted.

⁸¹ “the” is deleted.

⁸² “this charge confounds” is inserted.

⁸³ “are here confounded” is deleted.

⁸⁴ “an unvaried an unvaried [?] course of measures. It is the systematic policy of the British constitution” is deleted. “an unchangeable course of particular proves blind adherence to par” is also deleted.