Extract from an Essay on ye Sinking Fund, asserting ye Right of ye Public to yt fund.

This Act was establish'd in ye 3d of Gt. Cap. 7th Section 37.

This fund is by this Act compos'd of ye Surplusses of ye Aggregate, South Sea, & General funds, intended to sink or discharge ye National Debts with their interests as were contracted before Christmas 1716. therefore whatever ye Duties comprehended in ye Aforesaid three funds produce more than sufficient to answer ye Annual interest of such debts, & other annual incumberances charg'd by Parl. on such funds. such excesses or overplus moneys are by this Act made a fund to pay ye principal of ye said National Debt; so yt ye principal & interest of Public Debts contracted before 1716. are to be paid Off out of ye yearly ~~[illegible]~~ income of ye Aggregate, South Sea, & General Funds.

To explain this still better, we must remember yt ye National Debt is of two kinds, redeemable, & irredeemable; ye 1st comprehends ye principal sums yt at different times have been borrow'd

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by Government for ye. payment of ye. interest of which, particular Duties are appropriated untill such principal sums be redeem'd by Parl. after which redemption, ye. produce of these Duties are in ye. disposition of Parl. & his for discharging these debts before 1716. ye. Sinking Fund was establish'd.

Irredeemable debts are of a different nature, they are compos'd of Annts. granted by Government to different people in consideration of sums of money lent by them to Government as a purchase of these Annts. in proportions & according to ye. different rates & terms of years stipulated. Certain Duties being set a part for payment of these Annts. & on ye. expiration of ye. aforesaid stipulated terms of years all payment ceases & ye. Securities for ye. payment of these Annts. become void.

Hereafter

there therefore there are no principal sums to be paid off, & ye. Legislature cannot without ye. Consent of ye. purchasers alter ye. qualities of ye. Debts. But as several of these Annuitants subscribed their properties in these Debts into ye. S. Sea Capital under a clause of Redemption at a fixed time, these may be repurchased by Parl. but until ye. time appointed for it ye. several Duties yt. were made funds to answer ye. unsubscribed Ann. must also remain for paym. of ye. interest of ye. sums so subscribed.

ye. nature of ye. Sinking fund will be better explained by taking a view of ye. three principal funds from whose surpluses it is form'd.

I. Ye. Aggregate Fund was establish'd in ye. 1st. of Gs. Cap. 12. by ye. Act for enlarging ye. fund of ye. Governor & Comp. of ye. Bank of England &c. by this & an Act pass'd in ye. 3d. of ye. said Reign Cap. 8th entitl'd an Act for redeeming several funds of ye. Governor & Comp. of ye. Bank of England pursuant to former provisions of redemption &c

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By these two Acts ye following Duties are appointed to compose this fund

Duty on Houses.

two thirds Subsidy of Tonnage & Poundage from ye 7th of March 1711.

Duties on Coffee, Tea, Chocolate, Spices & Pictures, Drugs & White Callicoes, from ye 25th of June 1714.

One half of another Subsidy of Tonnage & Poundage, from ye 31st July 1714.

Surplus of ye other Half Subsidy of Tonnage & Poundage over & above £70,000 pr Ann. Annr. granted for 96 years from ye 31st July 1712.

One half Subsidy on Wine & Merchandize from ye aforesaid Time.

Additional Duties on French Wines, Goods, & Merchandize from ye 29th of Sept. 1715.

Plantation Duties from ye said time.

Duty on Hops from ye 31st of July 1715.

Surpluses of Revenues in Annty Acts 4th, 5th & 6th Anne, to be computed from ye 29th of September 1715.

Surplus

(1694)

surplus of five sevenths Excise after paying £100,000. pr. Ann. for ye. Original Capital of ye. Bank, computing from ye. time aforesaid.

Do. of two sevenths Excise above what's sufficient to satisfy Annts. on lives, from ye. aforesaid time.

Surplus of ye. Civil List Revenues from Michaelmas 1715. during ye. life of G. I.

Lastly All public monies not appropriated from Michaelmas 1715.

ye. money arising from ye. aforesaid Duties was by ~~Act~~ 3d. G. I. Cap. 8th. appointed to answer an annual interest at 5. pr. Cent payable to ye. Bank of England for Exchequer Bills deliver'd up by them to be cancell'd & for those remaining uncancell'd to be circulated by them till redeem'd by Parl. & to satisfy also other yearly payments set forth in this Act, & others of ye. 5th & 6th. G. I. for which purpose ye. aforesaid duties were made perpetual.

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& by ye. two 1st. mention'd Acts ~~of Geo. 1st~~ of ye. 3d. of ye. said Reign Cap. 8. Sect. 24. ye. quarterly or yearly surplusses of this fund is left to ye. disposition of Parl. so ye. any money remaining at ye. end of ye. quarter or year after payment of ye. incumberances this fund was charg'd with, such overplus was to remain in ye. exchequer till otherwise dispos'd of by Parl. & in case this fund should not within any one year produce sufficient to answer ye. Annual charge, ye. deficiency was to be made good out of ye. 1st. aids of Parl. By ye. 1st. of G. 1. Cap. 12th Sect. 24. & by ye. 3d. of ye. same K. Cap 8. Sect. 26.

II. ye. S. E. C. fund is compos'd of ye. following duties,

On Wine & Vinegar

On Tobacco

On E. India Goods

Additional imposition & Sundry Merchandizes

On Salt

On Candles

On Apprentices

These duties are fully explain'd by references

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in ye. 8th. 2. A. Cap. 13. & were made perpetual in ye. 9th. of ye. said Reign Cap. 21. for answering an Annty. of 6. pr. Cent on ye. Capital of ye. S. S. Co. on its 1st. establishment, & £8,000. pr. Ann. was allow'd them for charges of management.

In ye. 1st. of G. 1. Cap 21. ye. same duties were appropriate to pay ye. interest of their increas'd capital £10,000,000 at 6. pr. Cent with ye. same sum for charges of management.

In ye. 3d. of ye. same K. Cap. 9th. ye. interest of this Capital was redu'd to 5 pr. Cent, & ye. aforesaid £500,000 duties were made perpetual for securing to them their interest till their Capital came to be redeem'd by Parl.

'Tis also ordained by ye. Act ye. any surplus of this fund remaining at ye. end of any quarter after satisfying ye. annual charges upon it shall be kept in ye. Exch.r for ye. disposition of Parl.

But in case ye. money arising from ye. aforesaid Duties prove not sufficient at ye. end of any one quarter to pay ye. sums then due, such deficiency is by Sect. 12th. to be made good out

of

of ye. overplus moneys of any subsequent quarter, or out of ye. General fund &c.

III. ye. General Fund is establish'd by ye. 3d. of G. I. Cap. 7. & is compos'd of ye. following Duties.

On Coals since ye. 29th. of March 1710.

On goods exported since Do.

On Candles since ye. 25th. of March 1711.

On Hides.

On Paper, Cards & Dice.

£700. pr. Week Letter Money.

On Rock Salt.

On Hackney Coaches & Chairs

On Soap.

On Pamphlets & stamp'd Paper.

On Wire & Starch

Additional Duties on Hides, Starch, & Drugs.

A moiety of ye. Duty on Coffee.

Do. of ye. Duty on Tea.

£39,855,15s. 7. one fifth taken out of £7700. pr. Week Hereds. Excise for Bankers Annr.

ye. Aforesaid Act recited ye. by ye. 9th. of Q. A. Cap. 6 & 23d. & ye. 10th. of the said Reign Cap. 9. & 26. ye. above duties were granted for raising

ye.

ye Annual sum of 657,676£. for 32. years
for paying off ye principal sum of four
lotteries amounting to 9,214,500£. with 6. pr.
Cent interest in consideration of 7,100,000£.
advanc'd by ye Contributors.
yt. ye Here'y. Excise was by ye 12th. of K. W.
charg'd forever with ye annual sum of
39,853£. 15s. 7½d. as interest at 5. pr. Cent for ye
principal of 1,328,526£. due to Patentees of
K. Ch. II. which annual sum was to determine
on payment to ye patentees ye moiety of ye
Principal, so yt. this Annual payment was
equal to ye interest of half ye principal
viz 664,263£. at 6. pr. Cent to continue
till ye Redemption of it.

It appears by this General fund Act
yt. ye principal sum before mention'd
of 9,214,500£. was redu'd in 1716. to 8,762,625£.
which with ye above sum of 664,263£. due to ye
Patentees made ye total principle
9,426,888£. at 6. pr. Cent; but by this Act
ye Legislature redu'd ye interest to 5. pr.
Cent paying off those yt. were unwilling to

accept

accept ye. said terms.

& for ye. security of ye. 5. pr. Cent Annuitants ye. said Duties were made perpetual, tho' subject to redemption;

So yt. this Fund was given for 724,849 £ 6 s 10 ½ d. to make up which was appropriated besides ye. annual amount of ye. above Duties & ye. Aforesaid charge upon ye. Here y. Excise ye. yearly sum of 27,317 £ 11 s 7 d. reckon'd to be ye. annual surplus of ye. Duties for ye. 1st. Lottery 9th. G. A.

By ye. 36. Sec. of this Act it is decla'r'd yt. any quarterly surplus over & above ye. said General fund of 724,849 £ 6 s 10 ½ d. shall remain in ye Exch'r. at ye. disposition of Parl. & in case this fund shall not produce ye. said sum yt. such deficiency should be made good out of ye. 1st. Aids of Parl.

& for satisfying such Proprietors as desir'd their principal sums by an Act of ye. 7d. of G. 1. Cap. 9th. Sec. 4 ye. S. S. Co. became oblig'd to advance to 2,000,000. if wanted at 5. pr. Cent. payable out of ye. said Co's. fund.

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