

**MR. GLADSTONE'S FINANCE,  
FROM HIS ACCESSION TO OFFICE  
IN 1853 TO HIS BUDGET OF 1862,  
REVIEWED BY THE RIGHT HON. B.  
DISRAELI**

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**BENJAMIN DISRAELI**

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## PREFACE.

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THERE is one great drawback inherent in Parliamentary oratory, that it is always criticised in a partisan spirit. The object which the speaker has in view is almost invariably foreknown and prejudged; and it is hopeless to expect an impartial hearing from either of the political parties whose sympathies, interests, or prejudices have predetermined their opinions for or against the cause he represents. The most convincing logic, the most unanswerable facts, are listened to with a scepticism which no powers of persuasion can remove. On the other hand, the most transparent fallacies are accepted and applauded with a liberal and accommodating faith for which no imposture is too extravagant. An energetic "whip" baffles the highest oratorical effort; empty benches paralyse the most brilliant powers; crushing majorities annihilate reason, facts, and figures. But the orator who looks beyond an ephemeral political triumph has this consolation—the record of his speeches is preserved. The time comes sooner or later when his judgment is tested by an impartial audience, and his claim to statesmanship decided—not on a parliamentary vote, but on the strength of fulfilled predictions, of realised calculations, and of proved foresight.

How far Mr. Gladstone has successfully established his claim, the annexed Speeches of his chief opponent in the House of Commons will show. The country has practically been given over to the finance of the present Chancellor of the Exchequer for the last ten years; for the interruptions of his reign, occasioned by the accession of Sir G. C. Lewis, and subsequently of Mr. Disraeli to his office, did not last sufficiently long to admit of the establishment of any new financial policy. Within that time we have come to look upon a war expenditure as the normal expenditure of the nation, and the war Income Tax—that tax which in 1853 Mr. Gladstone denounced as infamous—as part of our ordinary taxation. We have had the Chancellor of the Exchequer yearly exclaiming against extravagance and yearly augmenting our deficit by reckless financial propositions. We have seen pledges unredeemed, predictions falsified, and schemes abortive, but we have never seen

one genuine success; and the end of all is, that we are commencing a year in which the resources of the country may be tried to the uttermost, with a complete "exhaustion of extraordinary aids," and with only a nominal surplus.

The mode in which these results have been attained is set forth very clearly in the two Speeches which follow, delivered respectively on the 24th of February, 1860, and the 8th of April, 1862. They summarise Mr. Gladstone's financial career. The one passes judgment on his policy from 1853 to 1860, with a warning that has been almost literally fulfilled; the other reviews it from the passing of the French Treaty to the present day. The arguments cannot be disproved; their truth has been demonstrated. The figures cannot be disputed; they are recorded in a series of disastrous Budgets.



## GLADSTONISM FROM 1853 TO 1860.

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THE Opposition moved, in February, 1860, on the introduction of the Budget, the following resolution:—

“That this House, recognising the necessity of providing for the increased expenditure of the coming financial year, is of opinion, that it is not expedient to add to the existing deficiency by diminishing the ordinary revenue, and is not prepared to disappoint the just expectations of the country by reimposing the Income Tax at an unnecessarily high rate.”

And on the third and last night of the Debate, Mr. Disraeli spoke as follows:—

I RISE, Sir, to answer the challenge of the right hon. Gentleman (Mr. Gladstone), and to interpret that indignant negative which he heard from my hon. friends behind me. The right hon. Gentleman has stated that the Motion made by my hon. Friend the Member for Essex is one that impugns the whole policy of commercial legislation for the last eighteen years. He says that the measures which he has introduced and the policy which he recommends are precisely the same as those which on preceding occasions have received the sanction of Parliament, and the approbation of the nation. He says, that if the House accedes to this Motion we are declaring that we entirely disapprove all that has been done in those eighteen years to revise our Commercial Code. But I join issue at once with the right hon. Gentleman. I deny the similarity between the measures which he introduces and those to which he refers. Sir Robert Peel, in 1842, in 1845, and the right hon. Gentleman himself, in 1853, certainly found or made deficits, but when they proposed a tax like the income tax it was for a period

which covered the interval during which the experiment might have fair play. What we charge against the measures of the right hon. Gentleman is this—that he has found a deficit and made a deficit, and has not proposed measures which will secure fair play to any experiment by which that deficit can be supplied. The whole speech of the right hon. Gentleman depended on this point. If the position of the right hon. Gentleman is not sound—as I hope I shall succeed in showing to the House—the whole of his conclusions fall to the ground. The House, I am sure, will generously remember, though the hour is late, that this is not an occasion on which I could shrink from expressing my opinions. I will therefore consider, as briefly as I possibly can, and for the moment in a merely financial point of view, the plan of the right hon. Gentleman, and I will see how it agrees with the position he has laid down, and how you can reconcile it with the character he has given of the Motion of my hon. Friend.

Of this Budget of the right hon. Gentleman I would say this—that it aims at too much and provides too little. The right hon. Gentleman finds a deficit: he increases that deficit; and he closes his proposition with introducing a tax of a very extensive character, and which is to exist only for a short term. The right hon. Gentleman has, I think, estimated his deficiency at nearly nine millions and a half—9,400,000.\* When the right hon. Gentleman made his financial statement the Army Estimates were not on the table, at least few Gentlemen had enjoyed the opportunity of studying them; I, at least, had not been able to examine them. But I think no one can deny, who has since looked over these Estimates, that it would be a moderate calculation to assume that the army expenditure will not be less than a million beyond what appears in these accounts. We have heard to-night that regiments have been sent to China from the Indian establishment, and that the moment they arrive in

\* A deficiency occasioned by the income tax and tea and sugar duties ceasing in the year 1860. Mr. Gladstone renewed the tea and sugar duties at the war rate, and not only renewed, but increased, the income tax; and nevertheless concluded the year with a deficit exceeding two millions and a half.

China they will be on the British establishment. We have also heard to-night of regiments from India which are expected in England, and which the moment they arrive will be on the British establishment. In the Estimates we found one Vote of half a million for the Chinese war, which every one felt at the moment was a ludicrous amount.

Without at this hour dwelling too much on the Estimates, it would be a very sanguine anticipation on the part of the House to suppose that the deficit assumed by the right hon. Gentleman would not be exceeded. The right hon. Gentleman, with this deficit of 9,400,000*l.*, will next year find wanting those malt and hop credits for 1,400,000*l.*, of which we have heard so much, and against the appropriation of which I enter my protest as a measure utterly unsound in finance, and of which I am quite surprised that the right hon. Gentleman should ever have proposed to avail himself. I remember that in 1852 I proposed, as a measure of reform, the extinction of a very small office connected with the Treasury, which had a comparatively small sum of public money intrusted to its administration; I believe not more than 350,000*l.* I proposed that that sum should be taken in the revenue of the year, and I did so only in order to secure a surplus, so that the amount would almost certainly have been found in the balances of the Exchequer, to which it belonged. The right hon. Gentleman denounced that project as one which could be justified on no ground whatever, and called for the reprobation of Parliament upon it; but what he is now doing is just the same thing, only upon a much greater scale, and under circumstances much less justifiable. Then we have in addition the million of Exchequer Bonds. We are told, Sir, that the country is in a position of unexampled prosperity. If we cannot pay our debts at such a time, when can we? When I asked, the other night, the Secretary to the Treasury, in the absence of the right hon. Gentleman, how and when he proposed to pay that million of Exchequer Bonds, the reply I received was a courteous reminder that I had in 1858 postponed the payment of 2,000,000*l.* of Exchequer Bonds. Surely he recollected the circumstances under which I took that step? That was not