

Transmitting a Paper
relative to the Prince's
Debts

Lord Loughborough
to
The Prince of Wales

38673

20th Jan^y 1792

Sir

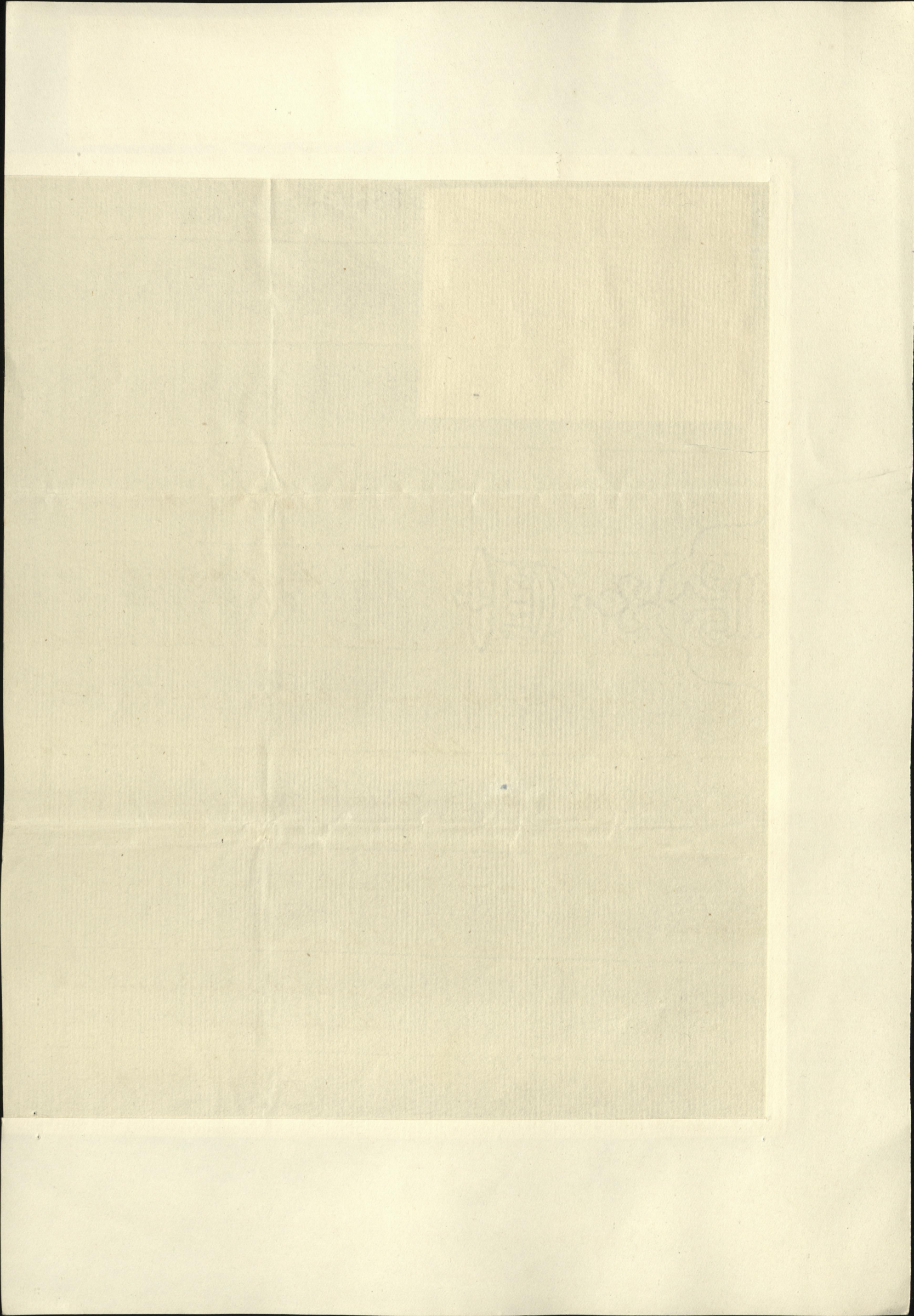
In consequence of your Royal Highness's
favourable acceptance of the Ideas that Mr. Paine stated
to you, I have drawn up some reflections upon the subject,
which I thought it a better demonstration of my Zeal &
respectfull Attachment to transmit to you without delay,
than to throw them into a more studied Form.

I have the honour to be with the most perfect
devotion, Sir, your Royal Highness's

most faithfull & most respectfull
Obedient Servant.

20 Jan^y 1792.

Loughborough



The Discharge of the Debts owing by their Royal Highnesses is a subject of public concern, which every Person must feel in proportion to the attachment he bears to the welfare of the State. It is necessary that it should be effected by their own exertions, because the arrangement of their Affairs otherwise impossible is not the sole nor even the principal Object; It is still more essential to acquire the Confidence of the Publick - the Union of the Royal Family and a just share of publick respect to every branch of It are particularly requisite at this moment to secure & maintain the Affections of the People to an excellent Frame of Government, and to repress all wild Projects of Innovation.

The Debts of Princes do not always diminish their Popularity. Henry the 6th before he came to the crown of France borrowed money every where upon his Note, It is reckoned an Honour (says a contemporary Writer) to be "possessed of a Note of this Prince," But he was wast in the payment of his ordinary expences. His Descendants at present by a different conduct have brought on their own Misfortunes, & the distractions of their Country - -

The only Mode of discharging the Debts of their R. H. must be by a Loan. If a Supply could be obtained from Parliament, the discount which might arise from It & the handle It would afford to ill disposed Minds would for the present be a greater Evil than the continuance of the Debt; whereas a Loan

would be an advantage in itself by the appearance
It presents of public confidence & the Interest It creates.

The Basis of the Loan proposed is, that a
Sum of £20,000 secured to be annually paid out
of the income of their Royal Highnesses is sufficient
upon the present value of Money to raise a Sum of
£300,000. Calculations made with some Attention
leave no doubt of this Proposition. The Annuity is
double the amount of the present Interest of the
Stocks - The Proportion of this Annuity to be applied
as Interest, & that which would remain for the
reimbursement of the Principal cannot be exactly
determined without a bargain opened; But at the
highest rate of Interest, the Fund of reimbursement
within the probable duration of the Annuity is
sufficient, if the Lenders would take care, they gain
an additional security & a more speedy reimbursement.

It is proposed that the Loan should be divided
into Shares of £500 each, Ten of which (allowing
the Interest to be £5 p. cent) would be paid off
at the end of the first year & the number paid
off each year would increase in progression.

The Detail of the Plan in other respects as to the
Mode of the security & the form of the Transactions
differs very little from that which was formed for
a Loan abroad, except that It is more simple in

its execution from the circumstance of this being transacted in London -

The annuity is supposed to be advanced in the proportions of £12000 by the Prince, 6000 by the D. of York & £2000 by the D. of Clarence, their Royal Highnesses receiving a proportionable share of the principal & directing the application of it solely to the discharge of debts. This diminution of income tho' apparently great would not be felt to an equal extent, for the perpetual payment of future expenses would go a great way towards making up the difference -

The Person who has the Honour of submitting the heads of this Project to the consideration of His Royal Highness the Prince of Wales, begs leave to observe, that it is essentially necessary for the honourable support of H., that it should not be entertained nor undertaken without His Majesty's knowledge & favorable reception, so qualified however that the execution should still rest solely on the engagement of their Royal Highnesses, & in no respect to imply that His Majesty does more than approve the intention - The Transaction would be avowed by those who might otherwise think their Relation to his service did not permit them to take any part in a scheme that had not that sanction, and it is confidently hoped that under the excellent Dispensation which the declaration of H. R. H.'s intention to cut off the boundless expenses of

newmarket has made upon all prudent Men,
without which no Loan could have been practicable
The Proposal of the Loan will meet with a very
favorable reception, be supported by Men of the greatest
respect, and very speedily accomplished. —

For the Treasurer's Debt.
and Longborough.

20. Jan'y 1792