

THE QUEEN'S CHANCELLORS OF THE EXCHEQUER.

BY ARCHIBALD CROMWELL.

With Illustrations by T. WALTER WILSON, R.I., and RAYMOND POTTER.



JOHN BRIGHT once told a story of how he visited the Earl of Beaconsfield shortly before the latter's death. The ex-Premier was ill, and spoke of past events in the melancholy tone of one who saw no prospect of entering the political lists again. At the end of the conversation Lord Beaconsfield accompanied his old opponent to the top of the staircase, and shaking his hand in farewell, he drew himself up and said to Mr. Bright: "Nevertheless, I have been Prime Minister of Great Britain and Chancellor of the Exchequer." He felt almost a greater pride in the fact that he had filled the office of Chancellor than even the knowledge that he had wielded the vast power a Prime Minister could give him. And yet it is not by his Budgets, brilliantly introduced as they were, that Benjamin Disraeli is best remembered. The little incident, however, proves the importance which he placed on the influence which belonged to a Chancellor of the Exchequer.

During the long reign of Queen Victoria thirteen Chancellors of the Exchequer have come into office, and in this article portraits of all of them are given. When the Queen ascended the throne the office was in the hands of Thomas Spring Rice, who was afterwards raised to the peerage as Lord Monteagle. Two years after her Majesty's succession Mr. Francis T. Baring was appointed Chancellor, and our portrait gallery commences with him. His esteemed descendant, the Right

Hon. the Earl of Northbrook, a distinguished servant of the Crown, has courteously placed at our disposal a fine steel engraving of Mr. (afterwards Sir) Francis T. Baring, who remained in office till 1841. His Budgets were not particularly noteworthy, being cautious rather than extraordinary. It was during his years of office that a great forgery of Exchequer Bills was discovered, the fraud amounting to £350,000. Its perpetrator was transported.

Baring's successor was Mr. Henry Goulburn, who was fifty-seven years old when he introduced his Budget in 1841. He had previously been Chancellor for two years, so that the office was not new to him. A Londoner by birth, Goulburn did good though unobtrusive work in the department of finance. He died at Bletchworth House, near Dorking, in 1856. In the "National Dictionary of Biography" his career is sketched in three columns of type, but he has not left on the statute-book any particularly

noteworthy mark. He was one of those who remained loyal to Sir Robert Peel in the Free Trade controversy. After him came Mr. Charles Wood, who was successively created a baronet and then a peer, bearing the title of Viscount Halifax. He was responsible for five Budgets, each of them constructed in a business-like manner. Sir Charles Wood was a most industrious statesman, and held several other posts besides that of Chancellor during his career. He lived to the hale old age of eighty-four, passing away in 1884 to the regret of a large circle of friends who knew and appreciated his gentle character.



From an engraving by [George Richmond].
THE LATE SIR FRANCIS T. BARING, BART.
(First Chancellor of the Exchequer in the Queen's reign—1839—1841.)

The next Chancellor of the Exchequer was Benjamin Disraeli, whose first connection with the Treasury was very brief, lasting only from February 21, 1852, to



THE LATE RIGHT HON. HENRY GOULBURN.
(Chancellor of the Exchequer, 1828-30 and 1841-46.)

December in the same year. He had had fifteen years' experience of the House of Commons, and was at this time representing Buckinghamshire. Disraeli had taken office in this the first administration formed by the Earl of Derby—a Government which has passed into history as the "Who? who?" Ministry, owing to the inquiry of the Duke of Wellington as to who were its members. It was defeated on the Budget in December, chiefly owing to Mr. Gladstone's incisive criticism, amid a scene of great excitement, and resigned on the day following Mr. Disraeli's oration. Briefly summarised, Mr. Disraeli's proposals were to remit a portion of the taxes on malt, tea and sugar. To balance these losses to the revenue he wished to extend the income-tax to salaries and funded property in Ireland, and exempt industrial incomes at £100 a year and incomes from property at £50. A house-tax, on houses rated at £10 a year and upwards, was to be imposed, and the rate of assessment increased. The point of attack seized on by

both Sir James Graham and Mr. Gladstone was the income-tax, and it was in this that the weakness of the Budget was most evident. Thus began the great historical duel between two brilliant foemen worthy of each other's steel. To Mr. Gladstone fell the duty of introducing the next Budget, on April 18, 1853. He was forty-three years of age when he stood up in a crowded House to make the first of that long series of momentous speeches which enthralled the nation and the Legislature in a way never since equalled. The member for Oxford University spoke for five hours with that marvellous ease which always enabled him to marshal facts and figures just as though they were men on a chess-board. Mr. Gladstone was, in a happy phrase, said to be the first Chancellor of the Exchequer who "set figures to music." The lucidity of his first Budget speech was only excelled by the logical force of its conclusions. It was a triumph from the opening sentences to the peroration. The conclusion of his magnificent speech is worth reproducing:—

"I am almost afraid to look at the clock, shamefully reminding me, as it must, how long I have trespassed on the time of the House. All I can say in apology is, that I have



From a photo by] [London Stereoscopic Co.
THE LATE SIR CHAS. WOOD, AFTERWARDS CREATED
FIRST VISCOUNT HALIFAX.
(Chancellor of the Exchequer, 1846-52.)

endeavoured to keep closely to the topics which I had before me—

. . . immensum spatiis confecimus æquor
Et jam tempus equum fumantia solvere colla.

These are the proposals of the Government. They may be approved or they may be condemned, but I have this full confidence, that it will be admitted that we have not sought to evade the difficulties of the position; that we have not concealed those difficulties either from ourselves or from others; that we have not attempted to counteract them by narrow or flimsy expedients; that we have prepared plans which, if you will adopt them, will go

some way to close up many vexed financial questions, which, if not now settled, may be attended with public inconvenience, and even with public danger, in future years and under less favourable circumstances; that we have endeavoured, in the plans we have now submitted to you, to make the path of our successors in future years not

more arduous but more easy; and I may be permitted to add that, while we have sought to do justice to the great labour community of England by furthering their relief from indirect taxation, we have not been guided by any desire to put one class against another. We have felt we should best maintain our own honour, that we should best meet the views of Parliament, and best promote the interests of the country, by declining to draw any invidious distinction between class and class, by adopting it to ourselves as a sacred aim to diffuse and distribute the burdens with equal and im-

partial hand; and we have the consolation of believing that by proposals such as these we contribute, as far as in us lies, not only to develop the material resources of the country, but to knit the various parts of this great nation yet more closely than ever to that throne and to those institutions under which it is our happiness to live."

No wonder that the speech created a remarkable impression on all who heard and all who read it. It may be mentioned that in this Budget Exchequer Bonds, a kind of public securities, were introduced; they have not proved popular. The fall of Lord Aberdeen's Cabinet in 1855, after the Crimean



DOWNING STREET, WHEREIN ARE THE OFFICIAL RESIDENCES OF THE CHANCELLOR OF THE EXCHEQUER AND THE FIRST LORD OF THE TREASURY.

War, which had hung like a dark shadow over all the Government's achievements, brought a new Chancellor into office—Sir George Cornwall Lewis—who had a difficult task in facing the heavy expenditure into which the nation had been drawn. Besides, he was thrown into unfortunate contrast with the mellifluous eloquence of his predecessor.

In 1858

Mr. Disraeli took the office in Lord Derby's second administration, which, however, did not survive long, falling by a vote of non-confidence in June 1859. This event brought Mr. Gladstone back again, as a member of the Palmerston-Russell Cabinet. Another brilliant chain of Budget speeches, illumined by quotations, showing the wide reading of Mr. Gladstone, charmed friends and opponents alike. In 1859 Mr. Gladstone was much pressed for time in the preparation of his financial statement, and there were fewer "purple patches" in the speech than he had accustomed the House and the country to

expect. The augmentation of the income-tax he defended in his last sentences, relying on his countrymen's "unyielding, inexhaustible energy and generous patriotism," confident that they would not "shrink from or refuse any burden required in order to sustain the honour or provide for the security of the country."

Despite a severe attack by Mr. Disraeli the Budget resolutions were carried.

The Budget of 1860 is specially memorable. Mr. Gladstone was not in the best of health, and the speech was postponed till February 10, when the House was crowded to excess. He began his fine speech by alluding to the occasion as "an important epoch in British finance." When he came to the question of income-tax he mentioned that he had recently received a letter proposing that the Chancellor of the Exchequer should be publicly hanged! The House was hushed into silence when the orator eulogised Richard Cobden's labour in connection with Free Trade and the French treaty. The announcement that he proposed to remove the excise duty from paper gave great satisfaction, and afforded Mr.

Chancellor a chance of praising the efforts of the late Mr. Herbert Ingram, M.P. After speaking with vigour for four hours, Mr. Gladstone came to his final sentence: "We ask for nothing more than your dispassionate judgment, and for nothing less; we know that our plan will receive that justice at your hands; and we confidently anticipate on its behalf the approval alike of the Parliament and the nation."

There was plenty of eventful discussion before the Bill passed into law, and the action of the House of Lords (which cannot, though interesting, be considered here) gave the Chancellor much anxiety. Ultimately he triumphed. In 1861 his speech in intro-

ducing the Budget was considered the finest he had delivered. It is curious to note that it was with regard to it that Lord Robert Cecil (now our Prime Minister) made a violent attack on Mr. Gladstone, saying that "experience had taught them that he was not a financier who was always to be relied upon." In this outburst occurred the ill-chosen comparison of the Chancellor to a country attorney. It would be wearisome to discuss the financial statements by Mr. Gladstone, which certainly revolutionised many methods during the years 1859 to 1866. In the latter year Mr. Disraeli came to the Treasury again. He held the post till February, 1868, a year very eventful in more

than one modern politician's life. It was among other things the year of Mr. Gladstone's first premiership and of Sir William Harcourt's entry into the House of Commons. Mr. George Ward Hunt was Disraeli's successor, but his tenure of office was very brief. It may be recalled that Mr. Hunt died very suddenly in one of the rooms attached to the House of Commons, the melancholy incident creating universal sorrow among the members.

With the advent of Mr. Gladstone to power in December 1868 the Chancellorship passed to Mr. Robert Lowe. He is best remembered by the unfortunate blunder committed in his Budget of 1871, when he proposed a tax on lucifer matches. It was said at the time that Mr. Lowe, who was a fine classical scholar, could not resist the temptation of punning on *ex luce lucellum*, which he had suggested should figure on each box. In this relation it may not be inappropriate to mention another pun, which was productive only of mirth, and did not inconvenience a Government. Young Mr. Bryant, of the well-known match firm, was seen driving a four-horse coach in the Park;



From a photo by]

MR. GLADSTONE IN 1852.

[S. A. Walker.

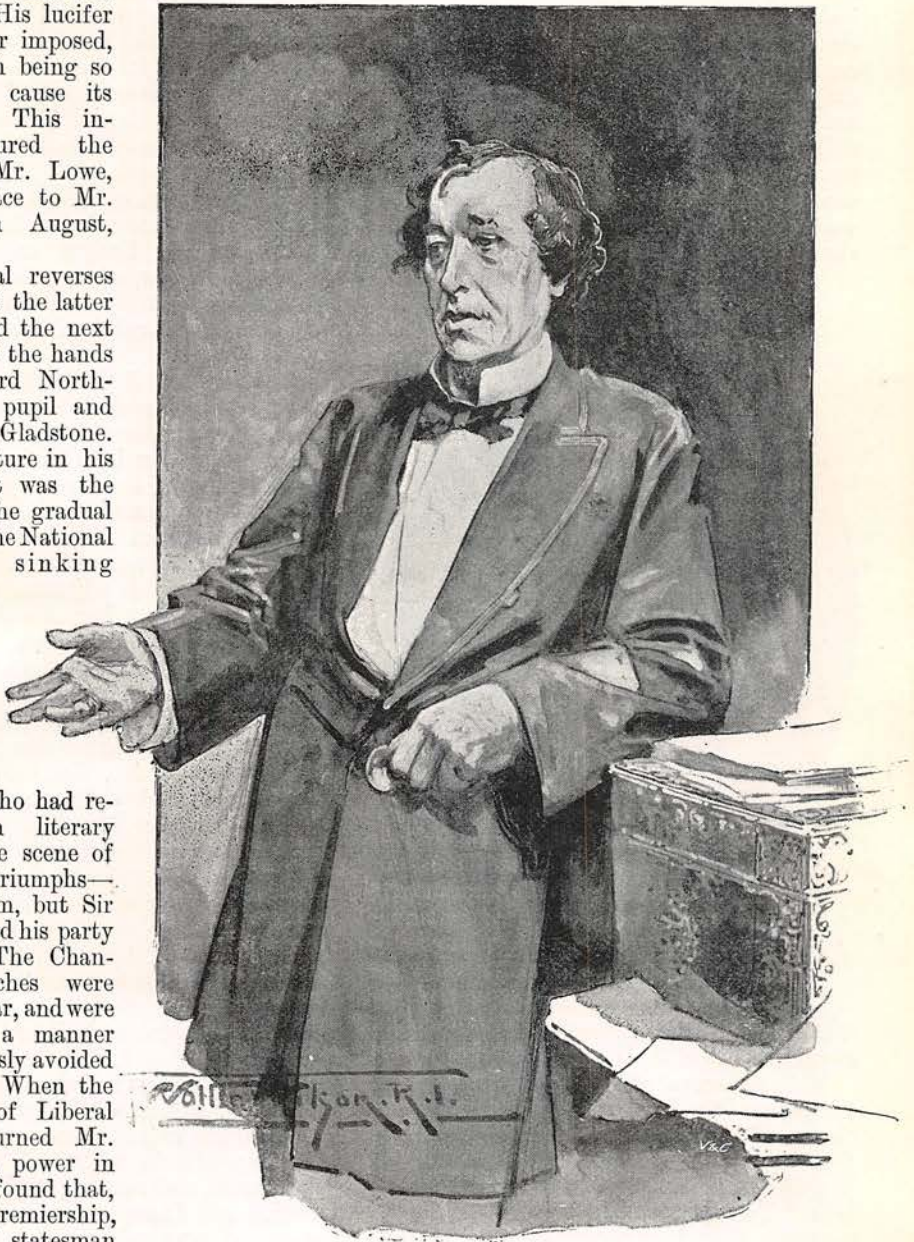
(When he first became Chancellor of the Exchequer. He subsequently held the office 1859-66, 1873-74, 1880-82.)

a friend asked another what he thought of Mr. Bryant's skill, on which he replied, "Well, at all events he looks *striking on the box!*" But to return to Mr. Lowe. His lucifer tax was never imposed, the opposition being so great as to cause its withdrawal. This incident obscured the labours of Mr. Lowe, who gave place to Mr. Gladstone in August, 1873.

The Liberal reverses however gave the latter no chance, and the next Budget was in the hands of Sir Stafford Northcote, an apt pupil and friend of Mr. Gladstone. The chief feature in his 1874 Budget was the proposal for the gradual reduction of the National Debt by a sinking fund, made by an annual charge of £28,000,000 in every Budget. This drew from Mr.

Gladstone—who had returned from literary labours to the scene of his former triumphs—much criticism, but Sir Stafford carried his party with him. The Chancellor's speeches were admirably clear, and were delivered in a manner which studiously avoided contention. When the great wave of Liberal victories returned Mr. Gladstone to power in 1880, it was found that, beside the premiership, the veteran statesman was eager to assume his old rôle, and accordingly the supplementary Budget of June 1880 was introduced by him. A penny was added to the income-tax; private brewing was taxed; a new scale of duties was fixed for wine, and

the malt tax was abolished. On April 4, 1881, his next Budget was laid before the House with masterly skill, and on April 24,



Drawn by

[T. Walter Wilson, R.I.]

MR. DISRAELI INTRODUCING HIS FIRST BUDGET IN THE HOUSE OF COMMONS.

(He held the office of Chancellor of the Exchequer, Feb.—Dec., 1852; Feb. 1858—June 1859; July 1866—Feb. 1868.)

1882, what proved to be the great financier's last Budget was introduced. It was less remarkable than most of its predecessors.

Mr. Childers, whose death we had recently to deplore, made no very striking innovations in his early Budgets. But in 1885, in order to provide for the war in the Soudan and possible trouble with Russia, he asked the House to consent to an increase of duty on beer and spirit, succession duties, and duty on property of corporate bodies. These proposals excited great opposition, and the Bill was defeated amid intense excitement by a majority of twelve, bringing about the downfall of the Government. This was the occasion when Lord Randolph Churchill showed the gladness of his heart and his

owing to a difference of opinion, he determined to resign. Driving down to the office of the *Times*, Lord Randolph confided this intention to Mr. G. E. Buckle, the editor. Next morning the political world—and, we believe, not less the Marquis of Salisbury—was startled with the sensational news exclusively appearing in the *Times*. Somewhat to Lord Randolph's surprise the Chancellorship was within twelve days filled by the appointment of Mr. G. J. Goschen. "I had forgotten all about Goschen," was his lordship's comment when he heard of his successor. The Budget on which Lord Randolph had spent much thought was never brought in by this Chancellor, who will be remembered in history as he who had no Budget.

In April 1887 Mr. Goschen explained his proposals, which included the abstraction of £2,000,000 from the sinking fund, the reduction of income-tax by a penny, a grant in aid of local rates, and—very popular among smokers—the lessening of the duty on tobacco. His next Budget further reduced income-tax to sixpence and aimed at a permanent equitable adjustment of imperial and local taxation. It met with some severe criticism from Mr. Gladstone. In 1890 the Chancellor had the satisfaction of announcing a surplus of £3,500,000. He gave £100,000 to volunteer equipment, £80,000 to colonial postage, reduced house duty, and raised the duty on spirits. In 1891 his Budget was chiefly notable for the allotment of £2,000,000 a year for free, or, as it was termed, "assisted" education. Mr. Goschen's last Budget, in a series which certainly had a consecutive completeness about it, was in 1892, when he equalised the duties on sparkling wines to two shillings per gallon.

After Mr. Goschen came Sir William Harcourt, whose Budget in 1893 added a penny to the income-tax in order to balance a deficit of £1,574,000. In the following year the Chancellor had a sensational Budget to introduce in a crowded House of Commons. He raised the income-tax in a graduated form to eightpence, he added to the beer and spirit duties, and manfully tackled the vexed question of death or estate duties. The last-named proposal was, and is now, hotly contested, and on it Sir William's chief record as a financier will possibly rest in the future. Last year his calculations proved so correct that he was able to drop the additional duty on spirits. After the defeat of the Liberals at the General Election the Chancellorship was placed in the hands of



THE LATE SIR GEORGE CORNEWALL LEWIS.
(Chancellor of the Exchequer, 1855-59.)

athletic tendencies by leaping on one of the green benches of the House of Commons.

With the arrival of a Conservative ministry to power Sir Michael Hicks-Beach was chosen Chancellor of the Exchequer. His Budget of July 1885 threw overboard the new duties and issued £4,000,000 Exchequer Bills. The speech he made was excellently compiled, though in no way exciting.

The next Budget was introduced by Sir William Harcourt in 1886, but the resignation of Mr. Gladstone's ministry in July occasioned a change of Chancellors, Lord Randolph Churchill taking the post in Lord Salisbury's second administration. But he held it only to December 22nd, when,

Sir Michael Hicks-Beach, who will in all probability be making the annual financial statement within a short time of these pages reaching the public.

This is not the place to analyse the



From a photo by] [London Stereoscopic Co
THE LATE RIGHT HON. GEORGE WARD HUNT.
(Chancellor of the Exchequer in 1868.)

different methods of the men who have held the nation's purse in their hands during the illustrious reign of Queen Victoria. They have each had an individuality as much in their treatment of finance as in the speeches whereby they have annually enlightened the empire as to its balance-sheet. Mr. Gladstone holds the record of having delivered the longest Budget speech, and the late Mr. George Ward Hunt the shortest.

The veteran peer, Lord Cottesloe, who passed away in 1890, heard more than fifty Budget speeches, and he alone could have adequately contrasted the various styles of successive Chancellors. But we may accord to each statesman the credit of having held dearest to his heart the welfare of the British empire and the desire to promote its financial soundness and extend its prosperity.

The word "budget" is said to be derived from the French *bougette*, Latin *bulga*, signifying a small bag. Formerly the state-

ment was contained in a leather bag, but now it is brought to the house in one of the ordinary red despatch boxes carried by Ministers of the Crown. Even in its form the Budget has changed, for rumour says that the modern innovation of type-writing has permeated the Treasury. At all events—greatly to the joy of the Press Gallery—a Chancellor not long ago sent up pages containing the numerous figures which otherwise are the cause of much premature baldness among the journalists. Truth to tell, the method of presenting the Budget is not particularly well adapted to our present desire for business-like clearness of statement. To hear most Budgets is a weariness to the flesh, and members are chiefly eager to rush off at the earliest moment and besiege the post office with telegrams to constituents whose various callings may be affected by taxation. And not till the late editions of the evening papers begin to appear are most members really sure of the chief proposals of the Chancellor of the Exchequer, so difficult is it to gather facts



From a photo by] [Fergus, Cannes.
THE LATE RIGHT HON. ROBERT LOWE, FIRST
VISCOUNT SHERBROOKE.
(Chancellor of the Exchequer, 1868-73.)

from the multitude of figures which he ejaculates in the course of his lengthy speech.

One who has been present on these interesting occasions recalls various curious little incidents of a personal nature. For so heavy a demand on the strength of the

Chancellor various beverages have been employed to sustain his voice.

Mr. Gladstone's famous "pomatum pot," containing the sherry and egg fillip, manu-



From a photo by]

[London Stereoscopic Co.

THE LATE RIGHT HON. H. C. E. CHILDERS.
(Chancellor of the Exchequer, 1882-85.)

factured with loving solicitude for her distinguished husband by Mrs. Gladstone, was a feature in his later Budgets. Mr. Disraeli had a tumbler of brandy and water to aid him in his task; Mr. George Ward Hunt only required soda-water to assist his vocal chords in what was, as has been remarked, the shortest Budget speech on record; Mr. Goschen, I believe, had recourse to a glass of port while enlarging on the taste which the British nation has developed for spirits and light French wines, and Sir William Harcourt, as befitted an advocate of the Local Veto, was only refreshed with the ordinary glass of water so familiar to temperance orators.

Probably no Chancellor expended such time and care on the preparation of his speech as Sir William in the case of his Death Duties Budget; indeed it was humorously stated that he had a severe attack of *Budgetitis*, a new disease, not "made in Germany."

His successor, Sir Michael Hicks-Beach, will have no very striking sensations in the

speech which it will be his duty to deliver soon after these lines are being printed. The worthy baronet can however be trusted to make a good figure as he stands at the table, for hardly any member of Parliament is so graceful in his attitudes as Sir Michael. He looks a type of the English country gentleman, who by prerogative right is taking a part in the government of his land.

With a voice far pleasanter to hear than that of Mr. Goschen, Sir Michael has less claim to be regarded as a great financier. But he is cautious and has few hobbies—qualities which perhaps are of high value in a Chancellor. The large expenditure on naval defence will be a feature in his Budget, which fortunately can occasion but little opposition, for, as Sir John Tenniel's cartoon in *Punch* put it recently, if Britannia is to continue to rule the waves she must be ready to pay for the privilege.

It is always amusing to notice the wonderful knowledge of Cabinet secrets which omniscient London correspondents display just prior to the Budget. One provincial journal will announce that the industry in its neighbourhood is about to receive either a severe check or an encouragement; another paper will inform its readers of the intention of the Chancellor, in the most circumstantial manner, to impose a heavy tax on one of our



From a photo by]

[London Stereoscopic Co.

THE LATE LORD RANDOLPH CHURCHILL.
(Chancellor of the Exchequer, 1886.)

prized luxuries. And so the anticipations, equally incorrect, fill the columns of the newspapers till the great day approaches.

Deputations have been for weeks beforehand wearing out the doorstep of the Treasury (and the patience of the Chancellor)

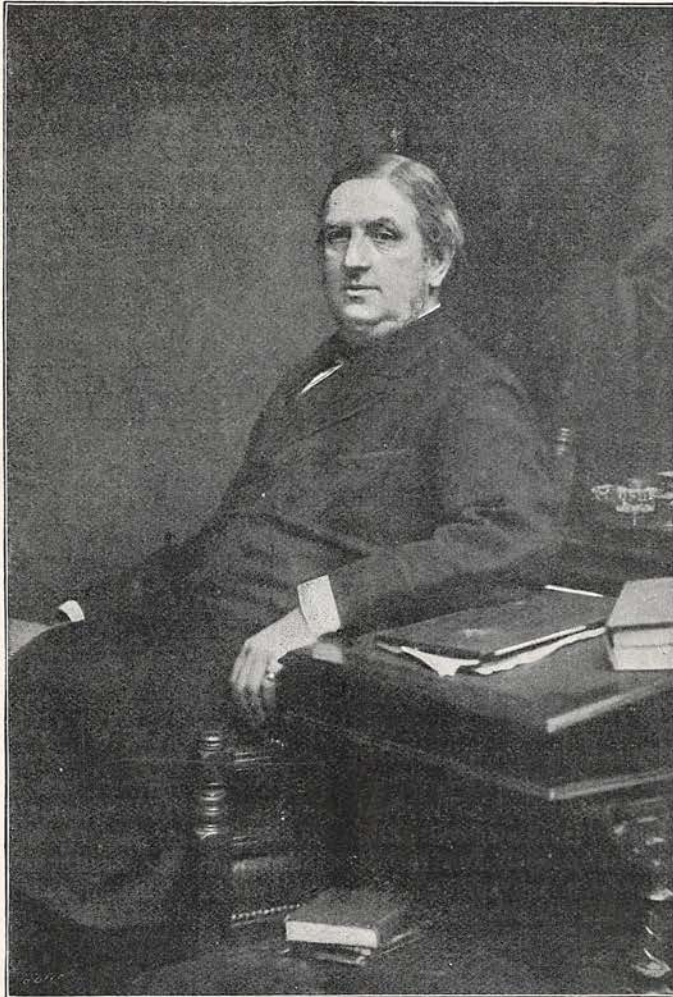
with all manner of suggestions and appeals. Light railways are needed for the agricultural districts; wines are required at less cost for the country gentleman; bicycles should be taxed on behalf of the poor ratepayers, whose roads are traversed gratuitously by myriads of machines, and whose lives are imperilled every day by "scorchers"; education must be assisted by grants to colleges; and many other means of spending the revenue are advanced with varying cogency and coherency by the deputations.

To each bevy of gentlemen the Chancellor politely responds, but with a caution born of wary experience. He says how glad he is to be made acquainted with their views, and then he proceeds, as a rule, to explain how impossible it will be to meet their wishes. He talks for a "third of a column" vaguely, and at the end of the interview the right hon. gentleman is thanked for his courtesy, and, in the words of the newspaper of the following day, "the deputation then withdrew." On one of the last occasions when Mr. Gladstone received a deputation—not, however, when he was Chancellor of the Exchequer—the solemn gentlemen were startled and charmed by the

sudden incursion of little Dorothy Drew, barefooted as usual, and claiming "grandpa" as her playmate.

Of course mention ought to be made of the labours of the permanent officials at the Treasury, who build the scaffolding for every Budget with their painstaking calculations and admirable suggestions. They are modest men, "content to fill a little place" so long as their chief is well served. The work entailed by such an item as the death duties can hardly be correctly imagined, and some of the most unimportant features in a Budget take the most time. Every Chancellor would gladly acknowledge the skill and devotion to duty which the Treasury officials exhibit, thus lightening the labours of the head of the department. And their reticence is extraordinary; other

public officials may allow secrets to leak out, but the sphinx of the Treasury keeps silence till the day on which the nation learns its balance-sheet. The strain on the officials is not quite over even then, for the debate on the Finance Bill may last some days and nights, and the Chancellor will need all sorts of additional facts and figures prepared in order to satisfy the inquisitiveness of sundry critics.



From a photo by]

[A. Bassano.

THE RIGHT HON. SIR WILLIAM VERNON HARCOURT, M.P.

(Chancellor of the Exchequer in 1886 and 1892-95.)



From a photo by] [London Stereoscopic Co.
THE RIGHT HON. GEORGE JOACHIM GOSCHEN, M.P.
(Chancellor of the Exchequer, 1887-92.)

The colleagues of the Chancellor are made acquainted with the main features of the Budget at the Cabinet meeting prior to its introduction. They are not in a position, of course, to do much more than congratulate its author, for few men can grasp the salient results of taxation unless they are skilled financiers. There are other Budgets introduced into the House of Commons besides *the Budget*; for instance, the Secretary for India makes an annual statement, which often receives too slight attention considering the vast importance of the Indian Empire. Even the discussions in Committee of the British Budget are not attended by more than a fraction of the 670 members who are responsible for the passage of the Bill into law. The little group of men who became known in the last Parliament as the "Busy B's" have however much to say on the provisions of the Chancellor, and thus atone for the abstinence from debate of their colleagues on both sides of the House.

It is interesting to recall that the Chancellor formerly sat in the Court of Exchequer, above the Barons. Sir Robert Walpole was the last

Chancellor of the Exchequer who exercised these judicial functions, which, after dropping into disuse, were ultimately abolished under the Judicature Act passed in 1873. The Irish Exchequer used to be a separate office, but it was united with the English Exchequer in 1816. It is supposed that the sovereign has the hereditary right of presiding over the Commission for executing the office of Lord High Treasurer, and this is shown by the existence of a throne in the room devoted to the business of the Commission.

But at last the Chancellor of the Exchequer is able to carry his Bill through the House of Commons, and after formal passage through the House of Lords (which has no real right to reject Money Bills) it becomes law. The nation then settles complacently down into its annual "snooze," and not till the next Budget draws nigh does it manifest much interest in its finance; and another statesman has achieved enough to make him share the boast of Benjamin Disraeli, "I have been Chancellor of the Exchequer."



From a photo by] [Russell.
THE RIGHT HON. SIR MICHAEL E. HICKS-BEACH,
BART., M.P.
(Chancellor of the Exchequer in 1885, and at present.)