

# BRITISH COLONIAL BUDGETING IN MALTA: THE FIRST FORMATIVE DECADES 1800 – 1838

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Studies of the first decades of British rule in Malta have centred chiefly on British imperial interests and right to rule the Island and on their dealings with Maltese claims to representative government. (1) Important judiciary developments in this period have also been surveyed in detail. (2) But no detailed study has yet been made of the equally important developments in the British financial administration of the Island. (3) To date the only work on the finances of Malta in this formative period remains in fact a contemporary publication by the then Auditor General, W. H. Thornton, in 1836. (4)

Thornton's data for the British period is very reliable. He was Auditor General from 1822 to 1857, and had also been one of the chief clerks who audited 'in arrear' the accounts for the first fourteen years of British rule. But Thornton's *Memoir*, published while he was in office, was intended as a defence of the British administration which, he concluded, compared very favourably with that of the Order of St. John of Jerusalem. Thus, for instance, he dismisses the heavy tax levied by the British on imported corn by saying that "it is merely stated as a certainty that, whatever the cause" — and he had just referred to the possibility of mismanagement in the time of the Knights — the Maltese in the 1830s were obtaining their corn at a much cheaper rate, even including duties, than during the last decade of the eighteenth century. (5)

1. See W. Hardman, *History of Malta during the French and British Occupations 1798-1815* (London, 1909): a glorification of Britain's beneficial influence on Maltese prosperity; and H.I. Lee, *Malta 1813-1914; A study in Constitutional and Strategic Development* (Malta, 1972).
2. H.W. Harding, *Maltese Legal History under British Rule (1801-1836)* (London, 1968).
3. C. Willis Dixon, *The Colonial Administrations of Sir Thomas Maitland* (London, 1939), gives quite a comprehensive account of the important reorganisation of Maltese affairs by Maitland, but he does not give due importance to the Maltese background of which Maitland himself was so much aware. C.A. Price, *Malta and the Maltese: A Study in Nineteenth Century Migration* (Melbourne, 1954), gives an interesting account of economic life in this period.
4. W.H. Thornton, *Memoir on the Finances of Malta* (Malta, 1836), Part II. Part I deals with the finances of the Knights of St. John.
5. *Ibid.*, pp.79-80.

In this article Malta's finances are reviewed in a different light. They are seen as the outcome of colonial rule. Thus one of the important developments — wholly ignored by Thornton — appears to have been the gradual assumption of complete and detailed control over Maltese financial affairs by the Colonial Office and British Treasury in London. The tactful introduction of regular taxation also merits a fresh analysis. Initial British financial assistance listed by Thornton again must be coupled with a consideration of the heavy recurrent expenditure on relatively high salaries and pensions to British officials borne by the local budget. Finally the consequences of colonial pre-occupation with merely balancing revenue and expenditure throws much light on Maltese economic development problems under British rule.

### Public Accounting

The management of the *Università* of Valletta, the chief Maltese municipal body under the Knights of St. John, seems to have been completely controlled by the Grandmaster, to whom a monthly account had to be submitted. (6) But the French administration and blockade in 1798—1800 had brought about great confusion in the finances of the Islands. The first British Civil Commissioners, in the existing doubt as to the Island's future status, and being obliged for the sake of popularity to give in to "the strong feelings of the people," permitted "a general looseness both in the manner and matter of managing the public transactions." (7) It was only after 1808 that "a degree of method first appears in the accounts, which (with an interruption occasioned by the Plague) went on improving till 1814." (8)

A centralised system of public accounts was introduced by the first Governor, Sir Thomas Maitland (1813—24). Having dealt with the Plague (1813—14), in August 1814 he attempted, in his own words, "to 'new-model' and simplify all the accounts of this Island." (9) This implied in the first place bringing all public expenditure under his control. The lower government employees had been paid at such a low rate that they necessarily received fees and other underhand money which could never be accounted for. Therefore, "with a view to economy in the strictest sense of the word," the payment of all clerks and inferior officers was instead increased to an adequate level. (10)

6. P. Muscat, "Aspects of Municipal Government in Malta 1720-1780", unpublished B.A. (Hons.) thesis (University of Malta, 1975), p.98.
7. [National Library of Malta] Desp[atches Vol.] 1, f. 238r: Maitland to Bathurst, 13 Oct. 1814.
8. Thornton, *op.cit.*, p.64.
9. Desp. 1, f. 237v: Maitland to Bathurst, 13 Oct. 1814.
10. *Ibid.*, f. 323v: same to same, No. 24, 24 Oct. 1814.

The effectiveness of this measure is especially evident with regards to the receipts from customs duties — one of the main sources of Government revenue. In spite of the great fall in trade because of the Plague, the customs revenue in 1814 was double that of 1812, (11) “the year of its greatest commercial splendour,” and did “not bear the smallest comparison to what it might be supposed to produce with reference to the former tariff.” (12) Meanwhile other civil servants formerly paid through fees, especially in the courts and the administration of public property, were also given fixed salaries. (13)

Maitland also disliked the fact that the transactions of the administration of public property and of the *Università* (by then merely the management of the corn monopoly), which involved large sums of money, were run quite independently by the Maltese and could never be audited. (14) The English accountant of the Commission of 1812 had “in vain endeavoured to decypher their [i.e. of the managers of the *Università*] books: they are incomprehensible.” (15) Maitland could not tolerate this lack of system which “rendered it impossible that the accounts of this Island could ever be examined, or looked into with the accuracy common to all other parts of His Majesty’s Dominions.” (16) So by the end of 1815, he took over “the corn concern totally and completely into our hands.” (17)

Maitland also established a system by which all public transactions were to be made “by writing and vouchers, instead of by word of mouth, and supposed authorities granted by this or that individual.” (18) The leading principles of his system were to be the following:

First that no expenditure of any kind, however minute, can be made or no work commenced, without a previous authority in writing granted by me individually, in consequence of a written representation from the head of the Department, stating the necessity of such expenditure, or work.

11. *Ibid.*, f. 321r-v: enclosure 21, Comparative statement of the Receipt of Revenue... for the first 6 months of the years 1812 and 1814.
12. *Ibid.*, f. 329r-v. The Commission of 1812 had estimated the duty at about  $\frac{3}{4}$  per cent.
13. *Ibid.*, *loc. cit.*
14. *Ibid.*, f. 238r: Maitland to Bathurst, 13 Oct. 1814.
15. [Report of the] Royal Comm[ission of Inquiry], 1812, p.183.
16. Desp. 1, f. 238r: Maitland to Bathurst, 13 Oct. 1814
17. *Ibid.*, f. 530v; same to same, No. 2, 1st January 1816. Maitland increased the salaries of the Maltese officials to make them accept his proposal.
18. *Ibid.*, f. 382r: same to same, No. 24, 24 Oct. 1814: Maitland said he adopted “nearly the system I laid down in Ceylon which had been completely satisfactory to His Majesty’s Government.” For his administration of Ceylon, see C. W. Dixon, *op. cit.*

Secondly that no money can be issued from the Public Treasury, except by warrant under my hand, and thirdly that all the accounts of the Island be made up, and finally closed, and audited, monthly. (19)

These principles were gradually enforced; (20) and the system of departmental accountability was finally officially required by instructions from the British Treasury in 1824. (21) The audit office was set up on October 1, 1814, though its work was at first delayed through a lack of adequate staff. (22)

Matters dealing with revenue and expenditure became increasingly controlled by the Treasury in London. Maitland and Hastings (1824—26) had acted quite independently. But in July 1827, Ponsonby was informed that the British Parliament had determined that financial aid to any needy colony was to be regulated "in anticipation" and would only be given after acceptance of the estimates for the relevant years. (23) This led to the system of presenting the local budget to the Colonial Office at the end of each year for the next. (24)

London's control was not limited to general policy but went into great detail. Thus in a despatch of March 2, 1827, Ponsonby was instructed not to sell any crown property without previous authority from London. (25) By a Circular Despatch of April 5, 1830, all officers in command in Foreign Stations were forbidden to increase salaries or allowances, or to authorise any public expenditure without previous sanction from London. Ponsonby was specifically warned that the Lords Commissioners of the Treasury intended to give effect to a provision that made governors personally responsible for all expenditure which they incurred without authority. (26) Ponsonby did "attend carefully" to these instructions referring to London every new item of expenditure. (27) And if he did not do so he would have had to explain why. Thus in 1833, he

19. Desp. 1, f. 328r-v: Maitland to Bathurst, No. 24, 24 Oct. 1814.

20. Some copies of the system of vouchers and monthly auditing exist in the V[alletta] P[alace] A[rchives].

21. Thornton, *op. cit.*, p.64. For Maitland's reorganisation of the Charitable Institutions see P. Cassar, *Medical History of Malta* (London, 1972), pp.103-104.

22. Desp. 4, f. 247v: Audit Report by Thornton, 13 June 1827.

23. V.P.A., Desp. Vol. 17, pp.72-74: Goderich to Ponsonby, No. 10, 10 July 1827.

24. See for instance, Desp. 5, ff. 467r-479r: Ponsonby to Murray, No. 97, 20 Nov. 1828.

25. Desp. 5, ff. 255r-256v: Referred to in Ponsonby to Huskisson, No. 52, 24 June 1828.

26. Desp. 7, f. 357r-358v: Acknowledged in Ponsonby to Murray, No. 42, 3 May 1830.

For the granting of any pension or allowance previous authority from London was required since 1826: see Desp. 3, f. 167r-v: Hastings to Bathurst, No. 23, 7 Apr. 1826. This was repeated by Bathurst to Ponsonby, 21 Feb. 1827: see V.P.A., Desp. Vol. 16, p. 96. In the annual accounts, the special authority for any pension that was granted had to be stated.

27. See e.g. Desp. 12, f. 1r-v. Ponsonby to Stanley, No. 26, 1 Apr. 1834, asking authority for increasing a needy and deserving clerk's salary.

was "required to state" whether his dealings with the public debt, known as the *Massa Frumentaria*, "has been sanctioned by the Lords of the Treasury." (28) Colonial auditors also required complete and detailed accounts. In 1830, for example, a detailed account had to be submitted of the expenses (£737-5s) incurred for the state funeral of Hastings in 1826. (29)

This system was good in so far as it allowed little room for corruption and fraud. (30) But it imposed such rigidity on the local administration that it was next to impossible for the governor to take any measures involving financial change to meet urgent and temporary needs in time of distress or even to think in terms of reform and progress. Thus schemes for a pension fund, for public works and organised emigration were repeatedly postponed. (31)

Ponsonby could justly disagree with the Maltese petitioners in 1832 who complained that government in Malta was "concentrated in the will of an individual." (32) He himself had his hands tied down:

they [the petitioners] must well know that every act of Government is subject to the control of the Government in England, his powers are limited by exact instruction from His Majesty. (33)

Bouverie, who succeeded Ponsonby in 1836, also found himself tied down by article 22 of the instructions given to him under Queen Victoria's seal in November 1838:

We do further enjoin you not to propose or assent to any Ordinance whatever [of the Council (34)] whereby any new Rate or Duty might be

28. Desp. 10, ff. 187r — 197r: Ponsonby to Stanley, No. 39, 29 May 1833.
29. See Desp. 7, ff. 484r-486v: Ponsonby to Murray, No. 67, 13 Oct. 1830.
30. The local government was also induced to make careful checks (e.g. in the distribution of alms: see Desp. 7, f. 342r-v: plan submitted by H. Greig, president of Charitable Committee, to Hankey, 25 Mar. 1830) because of the objections of the Colonial Auditors in London: see Desp. 7, f. 442rv: Ponsonby to Murray, No. 59, 10 Sept. 1830.
31. See Desp. 4, f. 157v: Ponsonby to Bathurst, No. 27, 23 Mar. 1827; Desp. 5, ff. 335r-342r: Ponsonby to Murray, No. 66, 24 July 1828; and Desp. 6, f. 258r-v: same to same, 12 Oct. 1829; Price, *op. cit.*, pp.40-46.
32. Desp. 9, f. 237r-v: Ponsonby to Goderich, No. 58, 20 July 1832, enclosing Remarks on the Petition of 18 May 1832.
33. *Ibid.*, f. 237v-238r.
34. The Maltese Council of Government, announced in 1835, consisted of four official members and another three representing the Maltese nobility, Maltese and British merchants respectively, chosen by the Governor (the local Bishop, though intended, never actually became a member). Its function was purely consultative.

imposed or levied, or by which Our Revenue might be lessened or impaired, or whereby our Prerogative might be diminished, or in any respect infringed, or whereby any increase or diminution might be made in the number, allowances or salaries of any Public Officers which have or shall have received Our Sanction, without our special leave or command therein first received. (35)

### Balancing the Maltese Budget

This strict control by the Treasury in London of Maltese financial affairs had developed primarily because of the necessity for economy. One of Pitt's main objections to the retention of Malta by Britain in 1802 had been the fear that the Island would prove an expensive liability in time of peace. (36) Indeed by the end of 1829 the Colonial Government had received a net advance of £668,666-7s.2d. from the British Treasury. (37) It should be observed that this was the only direct payment the British had made for acquiring control over Malta and for the use of public buildings and territorial and port facilities. The major concern of the Treasury Board, however, soon became that of ensuring the balancing of the Maltese Internal Revenue Account.

Malta's poor resources and relatively very high population density had been serious problems since the coming of the Knights. (38) By the end of the eighteenth century, thriving on the continental resources of the Order of St. John and on the local cotton industry, (39) Malta's population had increased beyond the relatively huge figure of 100,000, or over 800 persons per square mile. (40) Maitland and Ponsonby rather overestimated the amount of foreign money spent in Malta by the Knights to justify Malta's need for British aid; but it was quite true that the Maltese economy and Internal

35. V.P.A., Desp. Vol. 33: Instructions to Bouverie signed by Queen Victoria, 1 Nov. 1838, art. 2.. See also Desp. 17, f. 567: Bouverie to Glenelg, 24 Dec. 1838.
36. H.I. Lee, *op. cit.*, p.19.
37. Thornton, *Memoir...*, *app.* This statement was submitted by Thornton on 15 Jan. 1836: see Desp. 14, f. 190v-191r.
38. Prof. A. Vella, *Storja ta' Malta* (Malta, 1974), p.134, says that in the later fifteenth century the Maltese economy was quite viable for a population of somewhat less than 20,000 though the islanders would suffer heavily from drought.
39. Hardman, *op.cit.*, p.535, note 2, refers to Captain Ball's letters to Dundas, 15 Dec. 1799, estimating the value of cotton exported at £400,000 p.a. By the 1830s cotton exports were estimated to have fallen to about £100,000 p.a.: see Blue Book 1832, p. 222.
40. Price, *op.cit.*, gives the population estimates for nineteenth century Malta. Population density of the whole of Europe in 1800 was about 80 inhabitants per square mile, the highest in the Low Countries with about 220 per square mile: C.M. Cipolla, ed., *The Industrial Revolution* (London, 1973), p.460.

Revenue had come to depend to a considerable extent on the Order's money (41) to be able to meet a relatively large import bill and administrative expenditure.

To make matters worse, the French had squandered the capital that existed of the two chief Maltese financial establishments, namely the *Massa Frumentaria*, or holdings of the company which managed the corn monopoly, and the *Monte di Pietà*, or national pawn-broking establishment. (42) During the blockade of the French the Maltese did not have enough money at hand even to buy essential foreign supplies of corn and were given advances by the British and from Sicily. (43) But the Maltese claimed that

the French garrison suffering from the Blockade, offered to surrender, and to leave hostages for the payment of the sums they had appropriated from Public Institutions and forced loans from Individuals, whereas General Pigot, against the wishes of the Maltese, let the French carry all their belongings and even to take more spoils before sailing away. (44)

Because of this Maltese attitude, the bankrupt *Massa Frumentaria* and the *Monte di Pietà* were re-established through British funds, as the Maltese themselves would not risk any new capital when their former capital had disappeared. (45)

Moreover in their anxiety to establish popularity, the British also took over the heavy responsibility for the Charitable Institutions — the hospitals, asylums for the poor, orphans and illegitimate children, and the monthly distributions of alms — that had formerly been financed by the Order of St. John out of its external income. (46) By 1815 these became the heaviest item

41. Desp. 4, f. 279v: Ponsonby to Goderich, 16 Aug. 1827. Price, *op.cit.*, app. A (1), p.208: in the absence of adequate study we may take the average of the Order's foreign resources spent in Malta at about £180,000 p.a.
42. French appropriations from the *Massa Frumentaria* alone (which had about 1000 individual shareholders besides other shares held by corporations) were valued at 1,203,660 *scudi* (or about £120,000, the Maltese *scudo* being then valued at 48 French sous or about 2s. sterling): Desp. 17, f. 503r: Extract from the 23rd Report of Arrear Audit, Malta, 5 Aug. 1823, f. 107r; and *ibid.*, ff. 507r-17r: copy of Thornton's Report to the Commissioners, 12 June 1838.
43. Hardman, *op.cit.*, pp.231, 324-5, 330, 345.
44. *Memoriale De' Maltesi* (22 Oct. 1801) (London, 1805), pp. 3-4.
45. Desp. 5, f. 25r-v: Thornton to Chief Sec., 23 Jan. 1828, enclosed in Ponsonby to Hay, 30 Jan. 1828.
46. Desp. 17, f. 510r: Ball's Procl. 8 Mar. 1805. For the development and administration of the Charitable Institutions from the time of the Order and throughout the nineteenth century, see P. Cassar, *op.cit.*, pp. 102-106. Though even under the Order, expenditure on these institutions was strictly curtailed, in 1796 they cost £12,000, being the second heaviest item of expenditure after that of the fleet: *ibid.*, p.105.

of current civil expenditure amounting to about £20,000 annually. (47) The other branches of the administration, such as the courts of justice and the administration of public property and public works were also re-established. (48) No wonder that from 1800 to 1810, £432,577 had been supplied in aid in various ways from the British Treasury, (49) bolstering both the Island's external economic balance as well as its Internal Revenue.

On the other hand, since 1800, Captain Ball had claimed, among other advantages of retaining the Islands, that they would not be a liability to the British Treasury as Maltese exports of cotton and other agricultural products could pay for its import requirements, while the revenue produced by import dues and the Order's property would be sufficient for their administration. (50) Indeed in his instructions to the first Civil Commissioner of Malta in 1801, Lord Hobart had declared

His Majesty's expectation that the revenue will be found fully adequate to defray all charges of the Civil Government, and to allow a certain sum to be appropriated annually to the repairs, first of houses, warehouses and buildings belonging to Government, then to repairs of the fortifications. (51)

Attempts to achieve a balance had been made but failed. Thus in 1804, through the initiative of an English Official, W. Eton, the corn monopoly had speculated heavily in South Russian wheat; huge quantities were brought from the Black Sea at a cheap rate, but the lack of storage space led to their deterioration in the harbour and the *Università* suffered very heavy losses. (52) Again to boost the revenue, the special heavy duty on imported wines had been revived in March 1805, perhaps to make up for the above losses. However Captain Ball had tactfully justified its introduction in order to be able to pay the Maltese themselves 2½ per cent interest on the old capital of the *Massa Frumentaria*. (53)

47. See Desp. 1, f. 513v: Maitland to Bunbury, 26 Dec. 1815.

48. See Desp. 17, f. 510r: Ball's Procl. of 8 Mar. 1805. Up to 1830 British spending on the education facilities was not more than that provided for by the revenues assigned to the University by the Grand Masters, who had subsequently supplemented them with other income. See Blue Books 1821 ff.

49. Thornton, *Memoir...*, app.

50. B. Blouet, *The Story of Malta*, (rev. ed., Great Britain, 1972), p.163.

51. Instructions by Lord Hobart to Cameron, 14 May 1801, published in Hardman, *op.cit.*, p.355.

52. [Public Record Office, London], C[olonial] O[ffice] 163/33, p.20: "Accounts of of the *Università* of Valletta 1800-1814," 12 July 1816, by Thornton. The Jurats who ran the monopoly were removed and the concern started slowly to recover from its losses.

53. Desp. 17, ff. 510r-511r: Ball's Procl. of 8 Mar. 1805.

In 1807 Eton had still suggested that Malta's annual revenue should be £287,765 of which £240,000 were to be the net profit of the *Università* on its bulk buying enterprise in wheat, wines, oil and meat, which could even be expanded by re-exportation. (54) This, however, had already proved unrealistic. Though Captain Ball claimed that during his administration (1803—9) the *Università* was making a profit of £12,000 yearly, (55) the Commissioners of 1812 found its financial situation as "rather worse than nothing," and said that "we cannot but suppose, that Sir A. Ball, when speaking of the flourishing state of the *Università*, must have been misled by partial statements." (56) Indeed, when the accounts of the *Università* were finally audited in 1824, it was found that the overall result of its business from 1800 to 1814 was a loss of £56,000, half of it lost on its dealings in the importation of cattle. (57)

Meanwhile, however, Malta enjoyed a great commercial boom reaching its peak in 1812. Napoleon had blocked the Continent against British goods, but British merchants successfully used Malta as a depot from where their goods could be smuggled all along the coast of Southern Europe. (58) Thus in 1811 and 1812, while employment and earnings shot up, the revenue from the issue of licences to vessels and from Customs and Excise duties increased beyond expectation and resulted in a considerable surplus balance. (59)

Unfortunately this surplus was soon needed for the heavy expenses caused by the Plague which struck the Islands in April, 1813. By the end of September, local government funds had dropped to £3,000, even though, apart from the previous surplus, about £16,000 more had been raised by local loans. (60) Maitland, therefore, found it necessary to draw £172,750 from the 'Military Chest'

54. W. Eton, *Materials for a History of Malta*, Part IV (London, 1807), pp. 248, 255. Eton later became spokesman for the Maltese agitators in 1811.
55. Ball to Windham, 18 Feb. 1807, quoted by A. Schembri, *Sul Debito della Massa Frumentaria* (Malta, 1851), p.17.
56. *Royal Comm.* 1812, pp.175-176.
57. *Royal Comm.* 1836-38, Part I, p.35, app. submitted by Thornton. However, £65,964 were recovered by Government up to 1828 from "the stock of grain and effective credits existing at the close of that administration [of the Grain Department]": Desp. 5, f. 25r, statement by Thornton to Ponsonby, 23 Jan. 1828.
58. For an account of the extent of this trade see C. Willis Dixon *op.cit.*, pp.155-171.
59. *Royal Comm.* 1812, p.134, puts the surplus at £4,000 for 1811, "after meeting the entire cost of the Civil Establishment", which included such extravagance as £5,169 out of Auction fees to the sinecure office of Vendue Master, who resided in England. Desp. 1, f. 513r: Maitland to Bunbury, 26 Dec. 1815, puts it at about £1,400 (16,062 *scudi* at 1 *scudo* = 1s. 9d.) for 1811, and about £28,300 (324,293 *scudi*) for 1812. See also Desp 5, f. 26r: Thornton to Chief Sec., 23 Jan. 1828.
60. Desp. 5, f. 26r: Thornton to Chief Sec., 23 Jan. 1828.

up to September 1814 to meet the extraordinary expenditure (including an advance to the *Università*), of which only £16,875 were repaid — 1816. (61)

Meanwhile, all commerce with the Island had ceased for some time because of the Plague, and the denial of Free Pratique by Sicilian and Continental ports to ships coming from Malta continued until the establishment of an independent 'Board of Health' in 1826. (62) Thus, even after the disappearance of all traces of the Plague by June 1814, this constant hindrance to Maltese shipping, coupled with the end of the artificial war conditions, threw Malta into a period of commercial stagnation. In spite of the depression, however, Maitland succeeded to achieve a surplus revenue again in 1815. (63) This was the result of his reorganisation of the administration started in 1814 and completed by the end of 1815. (64) It was aimed at balancing Internal Revenue — even to the detriment of a revival of the economy. This was one of the reasons for his unpopularity with the Maltese who aptly called him 'King Tom'. He not only acted independently of London in his reforms, which he only explained afterwards to his superiors, (65) but he also blocked attempts by the Maltese to refer his actions to London. (66)

Maitland's regular system of public accounting undoubtedly helped to

61. *Ibid.*, f. 26v: In the first six months of 1814, about £35,000 were expended because of the Plague: see Desp. 1, f. 321r: Maitland to Bathurst, No. 24, 23 Oct. 1814, enclosure 21.
62. See Desp. 3, f. 250r, 252r-v: Hankey to Hay, No. 37, 21 Apr. 1826 and enclosures. The main purpose for the establishment of this Board to regulate quarantine was expressly to achieve free pratique for Malta.
63. Desp. 1, f. 513r: Maitland to Bunbury, 26 Dec. 1815: The surplus in 1815 was £21,400 (244,604 *scudi*). By the end of 1816 the local treasury's funds amounted to £66,121, including the net advance to the *Università*: see Desp. 5, f. 26r: Thornton to Chief Sec., 23 Jan. 1828.
64. See Desp. 1, ff. 237r-238v, 521r-529v: Maitland to Bathurst, 13 Oct. 1814, and 11 Jan. 1816.
65. *Ibid.*
66. Answering the Colonial Office about a complaint made by one of the chief Maltese agitators, Mr. Parisi, Maitland proudly reported how he tactfully silenced any 'dissension' by employing the 'leaders' in the Civil Service: "I therefore studiously abstained as long as Mr. Parisi held this language [that he would vindicate himself through London] from saying a single word to him: but when I got rid of all the rest, and *had employed the heads of them*, I sent to him to say that his being placed in the situation he was, under my Government, was his own act and deed... that as long as he held a language... I never would employ him. This led to a thorough explanation... He will be one of the Lord Lieutenants." (My italics): Desp. 1, ff. 337r-338r: Maitland to Bunbury, 7 Nov. 1814. (The same tactic was applied later in 1838 with regards to G. Mitrovich). That is why the most influential group in Malta at this time were the 'few' British merchants who could easily refer matters to the Colonial Office.

control Maltese corruption. He went even further, however, and introduced the principle of removing the Maltese from the chief administrative offices. General corruption had first been reported by the Commissioners of 1812, who had suggested that "the efficient and responsible situation, in all money transactions, be universally confided to an Englishman." (67) Maitland believed that corruption had set in, especially in the administration of the Università, of Public Property and of the Charitable Institutions, because the Maltese Officials did not know how long the British would stay in Malta, as a result of which they considered "everything a gain to the Island that they could cheat or plunder from the Government of the country." (68) And he went on to say that even though

the door to all political speculation is undoubtedly shut, ... the feelings here of honour and honesty, where government is concerned, are much too low for me to have the smallest confidence in them. (69)

This distrust of the Maltese was not abandoned until Austin and Lewis, in 1838, reported that it was unjustified as, though the Maltese did not hold executive offices, it was they who managed the public money: the cashiers of the Treasury, of the Grain Department and of the Customs Office were Maltese. (70)

While suppressing corruption, Maitland also increased the existing taxation. He established a 1 per cent duty on all imports, as suggested by the Commissioners of 1812, instead of the existing irregular one estimated at  $\frac{3}{4}$  per cent; he established an Export Office, which he wrongly expected to develop into an important source of revenue; (71) and above all, from 1815 to 1821, he made a very great profit (averaging over £21,000 annually) on the imports of grain through the monopoly — though not as much as he had enthusiastically expected; (72) and when the Corn Monopoly was abolished in 1822, he imposed a heavy duty on all imported grain which between 1825 and 1836 rendered an average annual income of £34,576 being 35% of the whole

67. *Royal Comm.* 1812, p.182.

68. *Desp.* 1, f.527r-v: Maitland to Bathurst, No. 2, 11 Jan. 1816. A similar attitude was maintained by the Maltese in the naval dockyard, where they considered it in some way justified to steal equipment because it was the "Queen's property" — "tar-Regina".

69. *Ibid.*, f. 530r.

70. *Royal Comm.* 1836-38, Part II, No. 12, pp.23-24

71. *Desp.* 1, f. 325r-v: Maitland to Bathurst, No. 24, 24 Oct. 1814.

72. *Desp.* 1, f. 513r-v: Maitland to Bunbury, 26 Dec. 1815, postscript: he estimated the profit for 1815 at nearly £40,000 and stated that he expected (wrongly) the profit for the following years would continue at that level.

revenue. (73) This heavy tax which was to remain the backbone of government revenue until 1939, was tactfully justified by Maitland as necessary to meet the expenses government would have to incur:

as the Government must keep a stock in hand to prevent any scarcity, or any sudden, or excessive rise in the price of corn, and as it must continue its assistance in providing for the inhabitants should such scarcity or high prices be of any duration. (74)

Thus Maitland was able to maintain the existing public services such as they were and still show a slight surplus until 1820. (75)

A deficit again occurred in 1821 and continued to recur until 1827, averaging for the six years from 1821 to 1826 inclusive, about £17,000 annually. (76) This was partly due to the general decline in commerce and agriculture leading to a decrease in revenue and an increase in public expenditure to provide some relief to the "numerous inhabitants". (77) Public expenditure was especially increased under Hastings, (78) who undertook an extensive repair of the Governor's palaces and also increased current public expenditure on the Charitable Institutions, for instance, by about £2,000. But a considerable part of this deficit was also due to two new imperial items of expenditure that were quite unreasonably added to Malta's budget. In 1821 Malta started to bear the expense of the British General Staff for the Mediterranean, which

73. Blue Books 1825-1836. The Blue Books, starting with the year 1821, were blank books with printed headings supplied from London which were filled in with the required information on Revenue and Expenditure, the Civil and Military establishments and other statistical data. For general information see R.B. Pugh, *The Records of the Colonial and Dominions Offices* (London, 1964), pp.40-41. Copies of the Blue Books for this period in the P.R.O. and the V.P.A.
74. National Library of Malta 346.2, Malta Government Proclamations, Vol I pp. 30-31.
75. C.O. 158/59: Ponsonby to Hay, 30 Jan. 1828, enclosure by Thornton, 23 Jan. 1828. A table of revenue and expenditure under Maitland from 1817 to 1823 is given by C. Willis Dixon, *op.cit.*, p.170.
76. C.O. 158/59: Ponsonby to Hay, 30 Jan. 1828, enclosure by Thornton. The average annual deficit was actually £18,271, but Thornton observed that "considering the heavy charges on those years for the redemption of arrears beyond arrears received and future burdens, the excess expenditure did not reach £17,000."
77. Desp. 4, f. 277v: Ponsonby to Goderich, No. 19, 16 Aug. 1827: "it is at the time of the commencement of hostilities in Greece [1821] that it may be said to have reached the lowest possible ebb." See also C.O. 158/59: Ponsonby to Hay, 30 Jan. 1828: "In the country there is a great deal of poverty amongst the farmers from the difficulty of disposing of their cotton... leading to some deficiency in Revenue." Even judicial receipts had "gradually fallen off with the decline of the commerce and prosperity of Malta": *ibid.*
78. Se C.O. 163/44: Blue Book 1825, detail of Expenditure.

Ponsonby asserted was not defrayed by any other Colonial Government, as well as the expense for the Commissariat Department in Malta. (79) These two items amounted to over £10,000 in 1821 and were the cause of the deficit of about £3,500 that year. (80) From the following year the expense of the General Staff was to be shared between Malta and the Ionian Islands, so that in 1826 these imperial expenses amounted to £7,337. (81) Besides these, from 1823 the Maltese budget was also burdened with the pensions of the 'Knights and others connected with the Order of St. John' (apparently French by nationality) residing in England, amounting to about £2,000 annually, which had formerly been paid by the British Treasury. (82)

In 1827, Goderich, the new Colonial Secretary in Canning's ministry, on considering the financial affairs of Malta, was shocked to find it running at a considerable annual deficit of about £18,000 (about 17 per cent of the whole expenditure). (83) He concluded that the Maltese civil establishments were "out of proportion to its revenues" and at once reported to Ponsonby, hoping that he would be

not less anxiously impressed than I am, with the indispensable necessity, not only of observing the strictest economy in the application of those Revenues, but of effecting every practicable retrenchment in the Expenditure of the Establishment. (84)

79. It is not clear as to what prompted the transference of this expense from army estimates to the Maltese budget, but Ponsonby (to Goderich, 16 Aug. 1827: Desp. 4, f. 276v) said the expense was "undertaken by Sir T. Maitland" — possibly on his own account: C.O. 158/56: Bathurst to Maitland, 8 Jan. 1824, enclosed in Ponsonby to Hay, private, 2 June 1827, referred to this charge as that "which the Maltese Government has taken upon itself."
80. See Blue Book 1821.
81. C.O. 163/44: Blue Book 1826, annexed printed statement.
82. Desp. 4, f. 268r: Ponsonby to Goderich confidential, 15 Aug. 1827: No account of the pensioners had been given to the local government, but it was understood that they were Knights of the French 'Langue' and, Ponsonby asserted, should therefore be pensioned by the French Government which enjoyed their property.
83. V.P.A., Desp. 17, ff. 65-66: Goderich to Ponsonby, No. 10, 10 July 1827. A.V. *Laferla, British Malta* (Malta, 1953), Vol. 1, p. 133 (repeated by Prof. S. Busuttill, "Malta's Economy in the Nineteenth Century," *Journal of the Faculty of Arts*, Vol III, No. 1, p. 49), is very misleading in stating that "when Ponsonby assumed the Lieutenant-Governorship, the financial position of the Island was most insecure and England had to make an annual contribution of £150,000." Laferla's source would have been referring to British Imperial spending on the services in Malta, which was not a special 'contribution', and was not regulated by Maltese but by Imperial considerations. British Imperial spending in Malta at this time was not at its maximum at all: see Price, *op.cit.*, app. A, para. 2, p.208.
84. V.P.A., Desp. 17, f. 69: Goderich to Ponsonby, No. 10, 10 July 1827.

Ponsonby was certainly infected with this anxiety for economy, (85) though he also explained the difficulties of reductions in the existing scarcity of any alternative sources of employment. (86) He also referred to the previous public expenditure of the Order of St. John from its foreign incomes in defence of the prevailing deficit. Ponsonby moreover excused the possibility of maintaining the existing British civil servants in office, at least for the time being, on the ground that "as their salaries are spent in the Island the Maltese derive support and employment from this source": an obviously inadequate argument which the Colonial Office marked as the only weak point in Ponsonby's despatch. (87)

However, Ponsonby soon set about making all possible reductions. By August 1827, he had already reduced annual expenditure on the civil establishment by £3,639, including £1,000 from his own salary as *Lieutenant-Governor*, the abolition of some posts, as well as the stopping of a subsidy to "Maltese artists at Rome"; he proposed a further reduction of £1,900 as from January 1828, and asked for relief from the above mentioned expenses for the British General Staff and for the Commissariat (which he estimated at £5,376) and for the pensions of the Knights residing in England (£2,000). (88) All these reductions amounting to £13,276 annually, coupled with strict economy, would remove the current deficit. (89)

Huskisson (who had replaced Goderich in September 1827) assured Ponsonby that the "promptitude with which you have entered into their [His Majesty's Government] views" had been noted. (90)

But he was surprised at Ponsonby's swift and simple solution for the removal of the deficit. (91) Huskisson informed him that, while Malta would no longer pay for the expense of the 'British Staff', there was little hope of being relieved from the pay of the pensioners, (92) which the Treasury refused to reassume. (93) However, he still repeated the anxious desire of London "for reducing the expenditure of your Government within its revenue." (94)

85. Two months later, Ponsonby happily reported how he 'carefully' avoided incurring any increased expenditure through the retirement of a senior judge: see Desp. 4, ff. 320v-321r: Ponsonby to Goderich, 27 Sept. 1827.

86. Desp. 4, ff. 278r-282r: Ponsonby to Goderich, No. 19, 16 Aug. 1827.

87. C.O. 158/56: Same despatch, C.O. Marginal note.

88. Desp. 4, f. 267r: Ponsonby to Goderich, confidential, 15 Aug. 1827.

89. *Ibid.*, *loc. cit.*

90. V.P.A., Desp. Vol. 17, f. 237: Huskisson to Ponsonby, No. 9, 22 Nov. 1827.

91. *Ibid.*, f. 235.

92. *Ibid.*, ff. 230-231.

93. C.O. 158/56: Ponsonby to Hay, private, 2 June 1827, C.O. note.

94. *Ibid.*, f.241.

Actually in 1827 there was an unexpected increase of £10,000 over the estimated £32,000 revenue from the grain duties. (95) This, coupled with reductions and economy, enabled Ponsonby to reduce the deficit from over £18,000, as feared by Goderich, to only £3,701. (96) Since for 1828, the budget would be relieved of the expenditure on the British General Staff and also benefit from reductions, Ponsonby could "most positively assert that no pecuniary assistance will be required from England for the ensuing year." (97) And indeed, though in 1828 the revenues from the grain duties fell considerably as expected (to £29,560), the Maltese budget just balanced. (98)

### Surplus Revenue

The accounts of 1828 indeed showed that Ponsonby had achieved a surplus of £11,213. But in fact this surplus amounted to little more than the expense of the Royal Malta Fencible Regiment. Though as from 1828 the Regiment was to be accounted for in British army estimates, it was still to be paid by the Malta Government. (99) The transfer of this expenditure to the army estimates was part of a general measure chiefly intended to bring into one account the entire armed forces of the empire and not because of Malta's inability to finance the corps. (100) The Royal Malta Fencibles, though also intended as a reserve for the regular troops, (101) performed mostly police duties (102) and may therefore be reasonably considered as part of the local administration. However, when Ponsonby paid into the 'Military Chest' in 1829 a sum, out of the surplus for 1828, exactly equal to the expense of the corps (£10,489), he was informed that:

it will be more conformable with the views and wishes of His Majesty's

95. See Desp. 6, f. 21: Ponsonby to Murray, No. 7, 26 Jan. 1829: cf. P. Bartolo, "Il-Hobż tal-Maltin... u l-Kummerċ Hieles li riedu l-Ingliżi" in *Storja* 78 (Malta, 1978), ed. by H. Frendo, p.88.
96. Blue Book 1827, Abstract of Revenue and Expenditure.
97. Desp. 4, f. 355v: Ponsonby to Hay, private, 11 Dec. 1827.
98. Blue Book 1828, pp. 38-41.
99. Desp. 5, ff. 116r-117r: Huskisson to Ponsonby, 31 Dec. 1827, acknowledged in Ponsonby to Huskisson, No. 24, 15 Mar. 1828. H. Lee, *op.cit.*, p.27, wrongly assumes the 'surplus' to have been due to Ponsonby's competence.
100. *Royal Comm* 1836-38, Part III, p.14.
101. In 1827, when the British 85th regiment was withdrawn from Malta, an additional company to the Royal Malta Fencibles had to be raised, which was again reduced in the following year: see Desp. 4, ff. 32r-34v: Woodford to Bathurst, No. 3, 15 Jan. 1827; and C.O. 158/60: Ponsonby to Huskisson, 18 June 1828. In 1828 (and at least up to 1837) the Malta Fencibles included 444 Privates, 11 drummers, and 78 other officers: see Blue Book 1828, p.70.
102. Cf. *Royal Comm*. 1836-38, Part III, pp.13-14. For general information on the Royal Malta Fencibles, see H. Lee, *op.cit.*, pp.75-77.

Government that the exact amount of the surplus which may accrue annually on the revenues of my [i.e. Ponsonby's] Government after defraying all expenses should be paid into the Military Chest instead of any fixed sum. (103)

Accordingly for 1829, 1830 and 1831 the whole surpluses of £10,616, £14,159 and £15,295 were paid into the 'Military Chest'. (104) But in 1831, Ponsonby discussed this matter with Goderich and he was given to understand that, should there be any sum left after paying into the 'Military Chest' a sum to cover the whole expense of the Malta Fencibles,

His Majesty's Government were disposed to recognise the principle that Malta should be allowed to retain in the Local Treasury, this surplus to be expended in a manner approved by His Majesty's Government. (105)

In this way, by the end of 1834, Ponsonby had accumulated £21,895 (£9,057 in 1832, £6,335 in 1833, and £10,502 in 1834). (106)

This surplus had been achieved through constant reductions and retrenchments in the civil service, "at which you are always growling," Ponsonby wrote to Hay in 1829. (107) By 1830 Ponsonby had already achieved an annual saving of over £5,000 in this way, and nearly another £4,000 in the expenditure on public works as compared to Hastings' administration. (108) By instructions dated June 21, 1830, however, a Commission was appointed in London "to suggest to ... Our Treasury such regulations and arrangements as may appear to them to be necessary for the better collection and improvement of the Revenue or for the reduction of Expenditure therein." (109) Ponsonby was not at all happy with the news; he reported that "the colony is in dreadful

103. Desp. 6, f. 83rv: Murray to Ponsonby, 25 Feb. 1829, as referred to in Ponsonby to Murray, No. 28, 22 Apr. 1829. See also Desp. 12, f. 323v: Letter from British Treasury, 20 Aug. 1834, enclosed in Elphinstone (acting Lt.-Gov.) to Spring Rice, No. 77, 20 Oct. 1834: the Treasury "consider in principle that the Revenues of the Islands, after the support of the Maltese Corps may have been provided for, are applicable towards the defrayment of the general military expenditure of His Majesty's Government in Malta." They justified this principle in view of the heavy expenses of the Services in Malta to the numerous advantages, "pecuniary and otherwise," of the colony: *ibid.*, f. 327v.
104. Desp. 13, f. 27: Ponsonby to Aberdeen, No. 9, 20 Feb. 1835, enclosing a Return of Excess Revenue beyond Civil Charges.
105. Desp. 11b, f. 50r-v: Ponsonby to Stanley, 6 Jan. 1834.
106. Desp. 13, f. 27v: Ponsonby to Aberdeen, No. 9, 20 Feb. 1835.
107. C.O. 158/63: Ponsonby to Hay, private, 27 Jan. 1829.
108. C.O. 158/71: Remarks on the Report of the Commissioners of 1830, 10 Mar. 1831, by Hankey.
109. *Commission of Colonial Inquiry*, 1830, p.3..

consternation at the news of the committee being hard at work with a large carving knife, to cut up the Government of Malta..." (110) The Commission suggested the consolidation of many offices, as for instance those of the Grain Department, Customs, Excise and Port Dues into a single Customs Office. Indeed, these separate departments represented separate attempts by the British to raise additional revenue. The Commissioners estimated a possible reduction of £14,431. (111)

Their suggestions, however, were refuted by Ponsonby as unsound and impracticable. Hankey, the conservative Chief Secretary, was sent to London especially to explain the situation with regards to the Grain Department. (112) Consequently reductions and reshuffles in the Civil service were to be more moderate and to be effected gradually as vacancies occurred. Reductions ordered by Goderich in October 1831 were in fact still proceeding in 1834. (113)

Early in 1834, in view of the current surplus that was being achieved, and probably due also to rising political agitation in Malta, the Colonial Office asked Ponsonby's opinion as to whether taxation should be diminished or public works undertaken. (114) Accordingly Ponsonby, who saw the expenditure on public works as "a safe, and direct mode" ("but temporary", added a Colonial Office marginal note) of providing employment for a "redundant population", preferred to use the surplus money for overdue public works: improvement in the prisons (£3,900), the excavation of grain fosses (£900), increasing accommodation facilities in the Lazzaretto (£800), the building of a Lunatic Asylum (£800), the construction of two Tanks (£600), and the much needed repairs of the streets of the 'Cities' (£1,000). (115) He also suggested a subsidy to a Society set up at this time for the cultivation of wastelands, intended mostly to provide employment, (116) and another for a plan for emigration. (117) Besides expenditure on public works, Ponsonby also suggested the abolition of some customs duties amounting to about £1,540 annually. (118) The

110. C.O. 158/66: Ponsonby to Hay, private, 2 July 1830.

111. *Commission...* 1830, app.

112. C.O. 158/71: Ponsonby to Hay, private, 1 Feb. 1831; see also *ibid*: observations on the Report of the Commissioners by Ponsonby, Thornton and Hankey.

113. See C.O. 158/75: Annual Report, 18 Mar. 1833, by W. Sim (acting Chief Sec.).

114. C.O. 158/79: Referred to in Ponsonby to Hay, private, 2 Apr. 1834.

115. *Ibid*, Ponsonby to Stanley, No. 43, 26 May 1834.

116. See National Library of Malta, Ms. 263, Portelli to Sconce, 12 May 1834, in which he disagrees with the projected 'Agricultural Society' and suggests a *Casa Dei Poveri* instead.

117. C.O. 158/79: Ponsonby to Stanley, No. 43, 26 May 1834.

118. Desp. 12, ff. 98r-101r: Ponsonby to Stanley, No. 43, 26 May 1834, enclosure 2.

increase in public expenditure did provide a partial remedy to the unemployment problem from 1837 onwards.

### **Economic and Social Aspects of the Maltese Budget**

In the 1820s and 1830s local administrators considered unemployment as the most serious problem facing Malta's Government. (119) Public works would ease the problem. The Colonial Office, however, while sanctioning the projected public works emphasised the principle that "the Government cannot under any circumstances appear to undertake the duty of providing employment for the people"; public works would be undertaken because of "the utility of the work and not the employment of the people." (120)

It was good policy not to spend funds on public works for mere relief. The Colonial Office rightly observed that such relief expenditure, if it did not "develop new or increased sources of industry," would not only be temporary, but aggravate the problem when the artificial demand for labour was withdrawn. (121) This is in fact what had happened after the three-year construction of the Naval Hospital at Bighi in 1832. (122) And ironically enough this is what the British were doing by their sporadic imperial spending in Malta at least until after the Second World War, when serious consideration was finally given to developing other more stable industries in the Island.

It is evident that Imperial policy provided little scope for a revival of the Maltese stagnant economy in the 1820s and 30s. The "labouring classes of the community", though "well-disposed" and "willing to labour from morning to night for a payment of 4d. to 6d. a day", (123) suffered great poverty and

119. C.O. 158/79: Ponsonby to Hay, private, 2 Apr. 1834, referred to a project for a naval dock estimated at £30,000, for which Ponsonby suggested that if there was any difficulty in getting Parliament to vote the expense — though "in Justice... England ought to pay the money", Malta could afford to pay half the expense in yearly installments of £5,000 each, if the Colonial Office would allow Malta to pay only £5,000 annually into the 'Military Chest'. Though he pointed out the advantages of such a dock to the British Mediterranean Fleet, Ponsonby's main aim was the "great benefit that would be conferred on the Industrious classes by the employment it would give."
120. C.O. 158/79: Ponsonby to Stanley, No. 43, 26 May 1834, Marginal note by the C.O.
121. *Ibid.*
122. C.O. 158/72: Annual Report, 3 Mar. 1832, by Ponsonby.
123. C.O. 158/72: Annual Report, 3 Mar. 1832. Ponsonby also reported that "it is difficult for persons occupied in this way [i.e. in the Maltese cotton industry] to gain more than 2d. a day."

could only emigrate, (124) beg or steal to make out a wretched living. (125) Misery seems to have been both widespread and serious. The Commissioners of 1836—38 reported that the number of regular beggars in the 'casals', "besides children and labourers who beg when out of work," numbered about 2,500 (out of a rural population of about 70,000); they also stated that "several deaths arising from want of food have occurred not long ago". (126)

The British generally blamed the Maltese lack of "initiative and ingenuity" (127) for the slow development of Malta's economy. The Maltese, on the other hand, complained about the failure of the Colonial Government to promote local industry and commerce. (128) This clash of economic attitudes between rulers and ruled was indeed one of the disadvantages of Malta at the time. The Maltese under the Knights of St. John had shared the Continental expectation of state enterprise in contrast to British *laissez-faire* beliefs as W.O. Henderson has clearly observed:

In Britain in the age of *laissez-faire* there was no nationalised sector of the economy and there were virtually no State industrial undertakings. In France and Germany, on the other hand, the climate of public opinion was entirely different. In those countries governments were expected to promote the expansion of manufactures in many different ways. The establishment of nationalised coal mines, ironworks, textile mills and other factories and the granting of State aid to private firms were regarded as normal methods of fostering economic prosperity. (129)

The *laissez-faire* attitude of the Colonial Office prevented the local administration from undertaking any positive measure to stimulate the economy. The only significant government undertaking in this period was in fact a revival of the attempt apparently first made under Grand Master Pinto (1741—73) (130) to set up a silk industry in Malta during Hastings' governorship. An ex-governor of Bengal and very much concerned about the miserable condition of the Maltese labouring classes, Hastings had tried to establish it as a cottage

124. *Ibid.*

125. C.O. 158/115: Commissioners' Report on the Poor.

126. *Ibid.*: They reported that in Gozo, "when there is want of field work, about one-sixth of the population is reduced to begging."

127. Price, *op.cit.*, pp.22-24

128. *Ibid.*, pp.25-26; G. Mitrovich, *The Cause of the People of Malta* (London. 1836), p.41.

129. W.O. Henderson, *The Industrial Revolution on the Continent* (2nd ed. London, 1967), p.10.

130. Blouet, *op.cit.*, p.132-133.

industry in 1826. (131) In the same year a "British, Irish and Colonial Silk Company" was formed in London "to promote the cultivation of silk in the British Dominions". It started operations in Malta on an extensive scale on various government lands leased at half the rental value; 180 kg. of silk were produced in 1831, but by 1836 it had ceased to function after the grubs were struck by a disease. (132) On the other hand, it is very significant that the two major Maltese industries, namely those of cotton growing and processing (133) and of shipbuilding, (134) declined considerably in the nineteenth century as they failed to adjust to mechanized production.

Maltese economic development also suffered from the British pre-occupation with merely balancing revenue and expenditure, as this article points out, especially during Ponsonby's administration. Indeed an attempt had also been made to make Malta contribute towards military expenditure apart from its free surrender of land and buildings to the British forces.

The Maltese political agitators of the 1830s pointed out yet another evil in the colonial administration: Malta's public expenditure was beyond the Island's resources because of the high salaries and pensions paid to British officials. (135) This claim was endorsed by the Commissioners of 1836—1838, who suggested that Maltese rather than British officials should be employed even in high offices on the grounds of economy, (coupled with greater efficiency), since the standard of living — and consequently salary — of a Maltese head of department was lower than that of an Englishman. (136)

Indeed in 1834, out of a total public expenditure of £85,530, almost 25 per cent (£21,002) were paid to British officials and pensioners. (137) These included a good number of Colonial parasites. A clear case of a sinecure officer was that of the Vendue Master "who resides in England" and received £3,926 in 1809, £6,366 in 1810 and £5,169 in 1811. (138) Maitland himself, as Governor,

131. Desp. 3, f. 325r-v: Hastings to Bathurst, No. 56, 19 Aug. 1826.

132. Desp. 9, ff. 294r-300r: Ponsonby to Goderich, No. 73, 6 Oct 1832, enclosure; and Blouet, *op.cit.*, p.181.

133. H. Bowen-Jones *et al.*, *Malta, Background for Development* (1st ed. Malta, 1961, Repr. 1962), p.124.

134. Desp. 3, ff. 287r-291v: Hastings to Bathurst, No. 46, 9 June 1826, enclosing copy of letter by Committee of Commercial Body in Malta.

135. See Petitions of 1832 and 1836, published in Mitrovich, *op.cit.*, pp.40-41, 65.

136. *Royal Comm.* 1836-38, Part II, No. 12, p.23.

137. Desp. 14, f. 175r-v: Evans to Glenelg, 26 Jan. 1836, Report..., app. I by Hankey. This included a pension of £600 p.a. to Captain Ball's son.

138. *Royal Comm.* 1812. p.137.

had been partly a sinecurist, (139) residing in Malta for only 309 days in seven years (from April 1816 to February 1823), (140) while receiving from the Maltese revenue a salary of £5,000 and £1,038 in allowances, (141) plus a further £3,475 (as Lord High Commissioner in the United States of the Ionians and Commander-in-Chief of the British forces in the Mediterranean) of which Malta paid a part from 1820. (142)

Glenluce, a British resident in Malta since 1809, wrote to Glenelg in 1836 that the British had sent to Malta "men, who pennyless or worse in debt, were forced to set apart nearly half their salaries for the benefit of their creditors in Great Britain". (143) The Commissioners of 1836—38 too had a low opinion of British officials in the Maltese civil service, which had been "abandoned for the most part to persons who had been unable to succeed in their respective professions in England". (144) In fact, Austin and Lewis declared that "in many, if not most, cases the business of a principal office filled by an Englishman had been performed by one of his Maltese subordinates: so that the revenue has been burdened with a high salary paid to the useless Principal". (145) And it was due to the Commissioners' report that the situation was gradually improved. Even so, in 1838, when some changes suggested had already been effected, out of 23 English civil servants in Malta (out of a total of 600 government employees and excluding the Lieutenant-Governor), 18 received a salary above £100 per annum, averaging £415-4s. On the other hand, only 45 Maltese received a salary above £100, averaging £203-17s. The remaining 532 Maltese received on average £31-6s. per annum. (146)

With all its lavishness on salaries and pensions to British officials, however, the local government could not afford the running of some schools for the

139. Desp. 2, f. 37r: Plasket to Bathurst, private, 10 Feb. 1824 (asking for a pension): "... (as your Lordship is aware of from Sir Thomas Maitland himself) that for the last six years I have acted, in fact, though not ostensibly, as Civil Governor and have had the sole management of all the Civil Business of this Government."
140. Glenluce, *Letter to Glenelg on the Crisis of Malta* (12 Jan. 1836), p.6.
141. Maitland himself had suggested to the Under Sec. Of State that when he moved to the Ionian Islands he should receive a salary of £7,000 once the allowances would be abolished: see Desp. 1, f. 483v: Maitland to Bunbury, private and confidential, 30 Sept. 1815, postscript.
142. See Blue Books 1821 ff.
143. Glenluce, *op.cit.*, p.6.
144. *Royal Comm.* 1836-38, Part II, p.23.
145. *Ibid.*, *loc. cit.*
146. Table given by Bouverie to Glenelg, 1 May 1838, published in *Royal Comm.* 1836-38, Part II, p.32. Another 85 Maltese were employed rather irregularly by government, receiving an average of £19 p.a.

mass of the people, a need of which it was already very conscious. (147) Though it has been argued that education was not improved because of the opposition of the ecclesiastical authorities who feared the spread of Protestantism, (148) Ponsonby declared (in 1831) that the main problem was financial:

... it must be admitted that this branch of political economy [education] is in a very backward state in the Island of Malta. The Roman Catholic Clergy are not friendly to the education of the lower orders, but if the Government had funds to establish it on a large scale, I have no doubt of their consent provided they had the superintendence in everything relating to religion. (149)

British imperial caution not to stir political agitation through any evident system of taxation allowed little room for any long term public investment in Malta.

147. A. Portelli calculated that out of a population of 115,570, 99,384 were illiterate: see *Royal Comm.* 1836-38, Part III, p.12.
148. A.V. Laferla, *British Malta* (Malta, 1853), Vol. I, p.152; see also G.P. Badger, *Sullo Stato della Educazione in Malta* (Malta, 1839), pp.5-25.
149. C.O. 158/72: Annual Report, 3 Mar. 1831.