A LETTER TO A FRIEND, &c.

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FRIEND,

Concerning the

PROPOSALS for the Payment of the NATION's DEBTS.

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A LETTER TO A FRIEND, &c.

SIR,

YOU having desired of me an Account of Affairs here, since the first Motion was made for Proposals to pay off the Nation's Debts, I give you the following Account.

The *South-Sea* Company first started the Game, and having very good Friends in this City, we were in expectation what

Pro-

Propoſals they would make to the Parliament of *Great-Britain*, in order to diſcharge the Nation of the heavy Load of Debts they lay under.

The Bank having ſubſiſted ſo many Years, and always been the Reſource of the Treaſury in times of the greateſt Diſtreſs, thought themſelves intitled to the Management of the publick Moneys: they could not ſit ſtill and ſee a new upſtart Society of Men in reſpect to them, ſtart up on a ſudden, and ſtrip them of the Prize of the publick Funds; and therefore ſummoned a General Court, in order to ſee if they could not appropriate that precious Morſel to themſelves.

The Day was fixed when both attended, and their Propoſals being printed, it appears in the following Light.

The *South-Sea* Gentlemen begin their Propoſal with the Prelude of their Zeal, and Readineſs to contribute to the reducing the National Debt. God knows, no private Intereſt could induce them, and towards that end they would advance three Millions, five Hundred Thouſand Pounds, *Gratis*, for the publick Service.

The Bank without any pretence of Zeal for the publick Good, made a plain Propoſal, which hapning to be about two Millions more than the *South-Sea*, the whole Current ſeemed to incline towards them.

But

But the *South-Sea* were not at all diſmayed, tho they found themſelves ſo far out-bid, nor did want any aſſurance (notwithſtanding their Profeſſions, that nothing but their great Zeal for the Publick, and to eaſe the Nation of the heavy Burden of their Debts, had ingaged them to offer three Millions and a half) to tell the Publick, that ſince they would not be bubled by that Offer, and that the Bank had offered five Millions and a half; truly they would give four Millions above their firſt Offer, which would be two Millions more than the Bank, to revenge themſelves for their having offered two Millions more than they; and for fear the Bank ſhould leap four Millions at once, as they had done, they ſtill ſay, as they were the Society that made the firſt offer, ſo they declared they were willing to do it on any Terms that any other Society ſhould propoſe.

But the Probity of People, who have certainly no ſeparate Intereſts, and only the real publick Intereſt in View, prevailed on them to think the publick Spirit, that appeared in both Societies for the publick Good, ought to be circumſcribed, leſt out of their great Zeal they ſhould deſtroy one the other, by coming up to offer ten or twelve Millions; which tho it would be a great Eaſe to the Publick would take away

way too great a part of the Gain of so publick a spirited Society.

In Prosecution of this Affair, all the World allowing that the *South-Sea* Proposal was the most beneficial to the Publick, there could be no Objection to the not joining issue, for the good of the Publick, with the best Offer.

When Affairs were come to this Determination, there was no room for any further Proposals; the *South-Sea* Company they were ravished with Joy for their Success, while the Bank were raving for their ill Fortune.

I resolved one Morning to make those two Ladies a Visit, and see how the one triumphed in her good Fortune, and how the other bore her Adversity.

I visited the Lady of the *South-Sea* first, since she was now worth as many Millions, as the other would be Thousands in a little time; when I entred her Mansion, nothing but Joy and Satisfaction run thro the whole Family from the highest to the lowest: I went directly to her Ladyship's Apartment, and there I saw her seated on her Throne in a most magnificent manner: on her right Hand was, in Figures Capital, twenty seven Millions; on her left Hand was, a Million three hundred and fifty Thousand a Year Income, and over her Head was Stock at two Hundred *per Cent.* rising. At

At her Feet were the poor Annuitants in Mourning, petitioning to be admitted Sharers in the glorious Harvest: But she spurned them from her with these Words, *No long Annuities.*

I then went to the Lady *Bank:* The whole Family were in deep mourning, and look'd dismally I went to her Apartment, and found she had quitted her Throne, and sat at the Foot of it, in deep Mourning: On her right Hand was wrote, *Reduc'd to one Million Six Hundred Thousand Pounds*; on her left hand writ, *One poor Hundred Thousand Pounds Income.* Over her Head, in great Letters, REDUCED, and (in small Letters) *to* 20 *per Cent.*

The Object was too melancholy to be entertaining, when I considered her former Glories, and how often I had seen her wallowing in her Millions; and that I had seen her chief Servants, being twenty six in Number, come from the Treasury in a Morning, with a thousand Guineas a Man, and three thousand to the two Chief, to make up just thirty thousand amongst them. It gave me a melancholy Idea of the Vicissitude of human Affairs. And as I was retiring, I look'd into a little Parlour, where sat a Parcel of her old Servants, who under her auspicious Reign had rais'd themselves to be worth two, three, and four Plumbs a Man: They were in private Discourse,

course, and spoke so low, I could hear only some broken Words, *Buy long Annuities, Lock up our Cash, Distress, Upstarts, Revenge and Ruin.*

I then saw their Malice and Envy at the fortunate Bargain their Sister had made; and at last they fell to downright quarrelling, complaining one of the other in most bitter Terms, *We could have given ten Millions for this Bargain, and yet got more by it than the others at seven Millions and a half: Our Stock would have been at Two hundred and twenty, and perhaps Two hundred and fifty. O glorious Prospect! But it's gone, vanished, and past Retrieve.* And so I left the old Misers to lament their Condition.

I then began seriously to enter into the Consideration of this Affair, and how it stood in respect to the Publick; for the Joy of the one, and the Grief of the other, gave me no Idea of what Concern the Publick had in this Affair. I had only before me the private Interest of each Company, which shewed it self in the different Passions of Success and Disappointment, natural to such Societies.

I then took their Scheme into Consideration, and found that the generous Principle of the *South-Sea*, in their Zeal for the Publick, in the Offer of three Millions five hundred thousand Pounds at first Word, for the Service of the Publick, could never

ver be enough applauded, had they not unluckily found out a Mistake to the Prejudice of the Publick, of no less than four Millions. Indeed, the Proposal of the *Bank* had set that Matter in a better Light, by finding two Millions might be given by them for the publick Service more than the *South-Sea* Company had offered: But still they were afraid, that as the *Bank* had made such a Discovery, so they might make a further; and should they advance four Millions on their second Proposal, as they now did, they should be still distanced by two Millions. To avoid the Loss of so desirable a Bargain, they still add, as a certain Indication that they had gone the farthest Lengths they could possible in the Service of the Publick; yet still they had such a Zeal for its Service, they would still serve them on the Terms any other Society should propose; only desiring, in return, that as they open'd this Matter before any other Society, so it might entitle them to the Preference.

When I considered that those Gentlemen had shewn such early Desires, and acted with such Probity and Candour, to ease the Nation of their Burden, I began to think what Reward the Gratitude of the Nation ought to decree them: for since they could not put their Bubble of Three and a Half Millions on the Nation, they

 now

now offered Seven Millions and a Half, and a greater Sum, if any other Society would give it: I say, when I considered this, I shall leave to others what Reward ought to be decreed them in return of their Sincerity.

Who can enough lament the Misery of a Nation surrounded with such People who wait for nothing but to prey on the Body of the Publick, and yet still to be under a necessity of making use of them! And I cannot enough lament the publick Misfortune, in not letting the two Companies extend their publick Spirit; since I am entirely satisfy'd, had neither Proposal been closed with, the Nation would have had at least Ten Millions; and I must frankly own, I have no Concern nor Regard but for the Publick Good. And certainly Two and a Half Millions Capital, and One Hundred and Twenty-five Thousand Pounds the Interest, added to the sinking Fund, would have been a glorious Article for the Publick.

But what is the most to be resented in this Affair, is the nature of the Proposal of the *South-Sea*; which tho more in Millions, yet being on such Conditions, may bring in less Money to the Publick, than the Proposal of the *Bank*: for by offering, as an Argument of their Sincerity, to bring in the Irredeemables, they lay themselves under a Penalty of one Year's Purchase;

chase; that is, of the Ninety-nine and Ninety-six Years, but not a word of the Thirty-two Years: So that by paying the Forfeiture, it will bring in but Four Millions Six Hundred Sixty-seven Thousand Seven Hundred and Five Pounds, instead of Seven Millions Five Hundred Sixty-seven Thousand Five Hundred Pounds proposed, and the Irredeemables not to be meddled with until the 1st of *March* Seventeen Hundred and Twenty one: so that the Nation until after the 1st of *March* Seventeen Hundred Twenty One, which is two Years, are tied up; so that let any Society of Men whatsoever offer to relieve the Nation of the Burden of the Irredeemables, it's not in their power to agree, let it be ever so beneficial, until the expiration of that time: so when these Gentlemen have got in the Harvest of the Redeemables, they will then, perhaps, think it worth while to treat with them. In the mean time, they have prevented any other Society of Men to treat of easing the Burden of the Nation; and the Redeemables and Irredeemables being at Par almost as to the Debt, so any other Society would have an equal Stock, the Greatness of which would vie with theirs; and being perhaps in better hands, sink theirs; which supposing but Five *per Cent.* is One Million and Three Hundred and Fifty Thousand Pounds, and they

they lose by the Penalty but Two and a Half *per Cent.* on their Stock, which is about that Sum.

I must own, there never was a Proposal so artfully made to deceive a Nation, by putting a Penalty, and declaring it was to manifest their sincere Intentions, when at the same time it appears that it was put in to delude the Nation; for 'tis manifest it's not their Interest to take in the said Annuities, since the taking them in at any reasonable Price, must sink the Value of the Stock in a much greater proportion than the Penalty. And as Interest will never lye, so I think it's manifest it's not theirs to touch one Annuity at above the Par of the Redeemables.

To set the matter in a clear Light, the Redeemables with Five and Four *per Cent.* Interest come to them at Par, but the Irredeemables must be bought. Now every Year's Purchase they give is so much loss to them, except about half a Year's Purchase, being the difference betwixt Fifteen Millions Nine Hundred Thousand Pounds at Par, costing Four Millions; and Fifteen Millions and Fifty-seven Thousand Pounds costing Three Millions Five Hundred Sixty-seven Thousand Five Hundred Pounds; except in the Article of Fifteen Millions Nine Hundred Thousand Pounds there are Four Millions at Four *per Cent.* which makes

makes some Alteration: but that was endeavoured to be made up in their Demand annexed and signed to be added to their Capital, in the annual and principal Sums, where they demand One Million five hundred and forty four thousand Pounds annual to be added; whereas only one Million five hundred seven thousand and five hundred Pounds is their Demand, when stated according to the Words of their Proposal.

The Proposal of the *Bank* was indeed but five Millions five hundred thousand Pounds; but as they offer seventeen hundred Pounds Stock to every Annuitant possess'd of a hundred Pounds *per Ann.* in the Annuities of Ninety nine and Ninety six Years, and in that Proportion to the Annuitants of Thirty two Years, so in all probability the whole Sum would have come in. Whereas, by the Proposal of the *South-Sea*, they are sure of but four Millions, and after two Years waiting, the Penalty of one Year's Purchase; and then the Government left to seek how to get themselves free from the Slavery of those Annuities, which perhaps they may not get off at Par, and so three Millions capital Loss to the Nation, and one hundred and fifty thousand Pounds *per Ann.* Interest to be added to the sinking Funds. And I cannot but observe that the *South-Sea* Proposal

posal only offers the Year's Penalty on the long Annuities, but no Penalty on those of Thirty two Years, which, according to the way of calculating, that Four and half *per Cent.* will come to three Millions five hundred sixty seven thousand five hundred Pounds, is but one hundred twenty one thousand six hundred and seventy Pounds Penalty they have excus'd themselves from; which I believe no body has taken notice of, and is still a further Indication that they design not to meddle with one or the other.

But Matters having come so far, and a Proposal accepted, how far the Honour and Faith of the Nation is engaged, in all Events, to make good such an Agreement, since a great many People have purchased at high Rates in the *South-Sea* on that Foundation, and that if it should not be agreed to, that Stock would fall, to their great Loss, and People not trust the publick Faith (as they understood it) again:

The Nation is certainly obliged to make good with the greatest Regard those Acts, as the only Foundation on which publick Credit can support itself, which ought to be sacred in all Events. But how far a Proposal agreed to binds the Legislature to pass it into an Act, is what I think does deserve very mature Consideration: And it's plain that Questions agreed to in the Committee, and

and reported to the House, and agreed to, have, at the committing the Bill, or at the third Reading, been thrown out: Even after having pass'd the House of Commons, they have been rejected by the Lords, without any Breach of the publick Faith. Therefore the rejecting this Bill cannot be called a Breach of publick Faith.

But it may be said, That People will lose by such a Resolution. But is it not their own Fault? Could they not have had a little Patience until the Act had been pass'd? Or must the Legislature be circumscrib'd by them? Or ought they to have any Regard to Particulars, when it comes in competition with the publick Good? Which certainly is what is the Business of every true Patriot to consider.

It will be asked, If you do not agree with the *South-Sea* Company, will you do nothing towards reducing the publick Debts?

I answer, Since the two Societies entring the Lists, they have shewn the Nation that the publick Funds are a Prize worth the contending for, at the Price of seven Millions and half at least. This was a Discovery so lately made, that three Millions was thought an extravagant Offer: Will not Time and good Management daily make further Discoveries and Improvements to the Nation's Advantage? Why

 should

ſhould we now cloſe and agree with the *South-Sea*, and put it out of our Power, at leaſt for ſeven Years, to improve Matters for the publick Advantage?

The Peace of *Europe* ſeems in ſo near a view, that we may ſoon expect to feel the Bleſſings it will bring: and if on the Dawn of our Hopes (for neither that of *Spain* or the *North* is yet ſecure) we can have ſuch Propoſals, what may we expect may be offered at the next Seſſions, when that Bleſſing ſhall be confirmed to us?

It may be argued, But ſuppoſing the happy View ſhould meet with any unforeſeen Event to ruffle the Proſpect, would it not then have been happy had this Propoſal been agreed to? I anſwer, No; becauſe in ſuch a caſe the *South-Sea* Company would have been diſabled to have complied with their Propoſal. And ſince only Quiet can make any of theſe Propoſals effectual, and the Publick taking under their Protection, and giving all Aſſiſtance poſſible to ſuch Society or Societies that ſhall undertake the publick Debts; I ſay, ſince this muſt be the caſe, will not the Propoſal augment as the Quiet ſhall ſeem more confirm'd, and the Publick in a better Capacity to ſupport the Undertakers?

But ſuppoſing it may be thought neceſſary, ſince matters have gone ſo far, (not to throw cold Water on an Affair of ſuch Con-

Conſequence, and do nothing this Year towards the reducing the Debts of the Nation) ought we to let the *South-Sea* Company have their Propoſal confirmed to them, without having any Certainty that they will do any thing to bring in the Irredeemables, and ſo the Nation be fruſtrated of Three Millions they expected, and One Hundred and Fifty Thouſand Pounds *per Annum* to the ſinking Fund?

Since the *South-Sea* Company have pleaded a Merit, in being the firſt Propoſers; ſuppoſe, ſince they have the Redeemables, they ſhould quit the Irredeemables to any other Society that would offer the ſame Terms of Three Millions and a Half, and they thereby be alſo quit of the Penalty of Six Hundred Sixty-ſeven Thouſand Pounds? Surely they could not refuſe ſuch a Propoſal; or if not, make ſuch an Offer as to ſatisfy the Government they do deſign to take them in.

Now, I no ways doubt but the *Bank* would greedily accept this Share in the publick Debts; and tho they might not come to the ſame Encouragement of Seventeen Hundred Pounds Bank for every Hundred Pounds *per Annum* in the Annuities of Ninety-nine and Ninety-ſix Years, and the Thirty-two Years in proportion, yet they might come to give Fifteen Hundred Pounds Stock, and in proportion for the

 other

other Annuities, and pay for the publick Service Three Millions and a Half, with this Condition, That they ſubmit in the Year Seventeen Hundred Twenty-ſeven to be equally reduced to Four *per Cent.* with the *South-Sea*, with this Proviſo, That all Moneys ariſing on the ſinking Fund towards the diſcharge of the publick Debts, be apply'd to the diſcharge of the Debt due to the *South-Sea* Company, and no part of the Fund of the *Bank* be paid off until the whole Debt of the *South-Sea* be diſcharged, in recompence for their taking this Bargain; and that the Four Millions to be advanced by the *South-Sea* Company ſhall be paid in on their Fund, and the Three Millions Five Hundred Thouſand Pounds on the Fund of the *Bank*; and the ſinking Fund until the Year Seventeen Hundred and Twenty-ſeven, be equally appropriated to pay on each Fund in proportion to their Capitals, and then the ſinking Fund be wholly appropriated to the diſcharge of the Debt of the *South-Sea*.

This will make a ſort of an Union or Coalition betwixt the two Societies, ſince they will be embarked in the ſame Intereſt, and will quell thoſe Piques and Animoſities, which I own I am apprehenſive of.

And I cannot but own I am much rather for this Diviſion, becauſe I conſider where

where Riches are, there will be Power; and tho the *South-Sea* ſhould make a reaſonable Offer, ſo as to ſatisfy the Nation they will take in the Irredeemables, yet I wiſh ſtill the Prey could be divided: For I think it's worthy the greateſt Conſideration to lodge forty two Millions with two Millions one Hundred Thouſand Pounds Income, in the hands of any one Society of People, and in reality transfer the Exchequer into the City. All that I have ſaid above is, in caſe it ſhall be reſolved to go on, on the foot of theſe Propoſals, tho I am ſatisfied it's not for the Intereſt of my Country to accept them, even with the Alternatives; for it's my fix'd Opinion a Delay will give time, and be productive of more valuable Propoſals for the publick Benefit.

The *South-Sea* Stock have the Load of eleven Millions and a half, the Bank of five Millions and a half, that muſt come in for an equal ſhare of the Profit that ſhall ariſe by this Propoſal. Now, if a new Society of People ſhould riſe, and offer to diſcharge the publick Debts, the proportion would be equal to all the Subſcribers, in the Profits, and ſo certainly they can make a better Offer for the Publick.

I ſhould not doubt but that againſt next Seſſions, there would be an Offer of twelve Mil-

Millions, which will be four Millions and a half more, and consequently two Hundred and twenty five Thousand Pounds added to the sinking Fund: for these Proposals have laid things so open to the View of all Mankind, that Time must certainly produce new Schemes, and new Improvements.

If so many Bubbles can be set on foot for Millions and Millions, why may not there be expected one on so solid a Foundation, as the Government's Security? Such a visible Fund will certainly have great Weight, and the reasonableness of the thing will bear its Weight, without any Tricks, or Stock-Jobbing to support it.

Having mentioned Stock-Jobbing, I shall enter into the fatal Consequences I have always seen to attend so pernicious a Trade, in relation to the Publick; and tho it may be argued, that it's not a Time to make an Act to prohibit it, now when the Nation is making a Bargain, to which that Trade may be propitious: I answer, I do not mean an Act to prevent buying and selling of Stocks, for the delivery in eight or ten Days; but I mean that Trade that is drove by the giving of Money for their refusal, or the Putt of Stocks for stated times, for by these Bargains, it's in the Power of a sett of Jobbers to raise or sink Stock as they please. For Instance, when

when all their Money is distributed for the refusal, then is their time to advance Stocks, and when they are come to a certain height, demand the Stock: as soon as ever that is over, then to give out Money for the Putt of Stock; when having distributed what they think fit, then it's their Business to go sinking the Stock, and when they see their time, demand the Money for the Stock, or the Difference, and so keep things in a continual Fluctuation, for a settled Price is the destruction of the Jobbers. Now if nothing is sold but what is paid for, all their Tricks must end, and the true Intrinsick Value of our Stocks needs no Tricks, their own Weight will carry them up, when no formed Designs, by giving out small Sums for time, can be carried on to depress them.

I have thus freely given you my Opinion of the State of our publick Debts at this Juncture, and shall no ways doubt but the true Interest of the Nation will be considered, and that those that are employed by their Country, will discharge it with that Integrity the Nation expects from them.

FINIS.