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A N

ESSAY

Towards Restoring of

PUBLICK CREDIT:

Humbly offer'd to the Consideration of
the Honourable House of Commons.

W H E R E I N

Certain Propositions are laid down,
Advantageous to the Proprietors of the
Annuities and Redeemable Debts, the Money-
Subscribers and Purchasers of South-Sea Stock
at High Prices; and for the Relief of Persons
concern'd in *Contracts, &c.*

*By a Faithful Subject of the Best of Kings,
and a Well-wisher to the happiest Con-
stitution in the World.*

L O N D O N;

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A N
E S S A Y
T O W A R D S

Restoring of Publick Credit.

I THINK the Nation, I may say most part of *Europe*, with whom we have any Traffick or Correspondence, was never so unanimously agreed in any certain *Truth*, either in Religion or Politics, as they are at present in *that* of the *Decay of our Credit* : but as to the Means to restore it, they are, to an Extreme, divided. Many are the Schemes and Projects publish'd, and many more broach'd in publick Places
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and private Conversations; and most part of them, however opposite to one another, or hurtful to that which they propose to rectify, find notwithstanding their Admirers, according as they suit this or that particular Interest. That which, by the countenance it has already met with, seems to have got the better of the rest, is not without its Enemies; whose Reasons for their Dislike, seem to them powerful enough to encourage them to oppose it.

WHILST the Spirit of Scheming and Projecting reigns in such a degree, what wonder if I am touch'd with a little of it? What I have to say, I dare not call a *Scheme*, for that Monosyllable seems to attribute to itself too much of Perfection; neither am I willing to have it called a *Project*, because the word denotes something too designing, chimerical, and ridiculous. I have therefore made choice of another more modest and laudable Title, and have named it *An Essay*, &c. that is, an Endeavour to restore the *Publick Credit*.

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TO which purpose it may be very necessary to look back to the State of the *Publick Credit*, before the *South-Sea Scheme* took place, and to compare it, in its former State, with what face it bears at present; from whence probably may arise some Ideas possible to be reduc'd to Practice, to restore it.

THE Publick Debts were, about a Year ago, to go no further back, reckoned to be about Fifty Millions; and it may be granted the current Specie of the Nation was, near the matter, Ten Millions; and this Specie was barely enough to circulate the Paper-Credit: yet, upon so much Specie and Paper-Money, Trade was pursued with Success, the National Credit was more than ever firmly establish'd, and the Kingdom flourish'd.

THE National Debts, for the Interest and Security whereof proper yearly Funds were allotted, otherways generally called *Stocks*, were now and then subject to Alterations in their Prices; but then these Alterations were so small, that however they might hurt

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a few Gamesters, they never affected the Credit of the Nation, which, in the worst of times (witness the late Rebellion) remained unshaken and entire.

IT was this happy Situation of Affairs at Home, and the Force of our National Credit Abroad, founded on the never-violated Faith of the *British* Nation, which invited all the World to throw their Estates into the Stocks, as a safe Repository, till they should have another Use for them: and nothing could ever have prevail'd with them to withdraw, but the tempting Profits they found by so doing, added to the Uncertainty of their Duration.

THIS being the Case before the *South-Sea Scheme* took place, let us now examine the Design and Effects of it, no more than is just necessary for the purpose: And, in the first place, the Intention of the Government was glorious and just, the King and Parliament had nothing more at heart than the Ease of the Subjects, the discharging with Honour and Credit a Load of National Debts; and for that purpose embraced the

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the Offer which seemed most likely to answer that End.

AS to its Effects, alas! they have proved fatal in such a degree, as needs no Aggravation here. But what Man, or what Body of Men, now are, or ever were infallible? Prescience is an Attribute of Divinity, and has been rarely, and even then but by piece-meal, imparted to frail Man! Upon the *Faith* of the *Scheme*, which was vainly construed the *National Faith*, the *Stocks*, but especially that of the *South-Sea Company*, rose prodigiously! *Subscriptions*, being first taken with much Address, succeeded, and soon carried great Premiums; and in *July* last, *South-Sea Stock and Subscriptions*, being about Twenty-three Millions of Capital, was upon an Average reckon'd worth, and sold at the rate of 800 *l. per Cent.* which is more than 184 Millions Sterling! A prodigious Sum! A Sum not to be found in Specie in *Europe*! The other Stocks, such as *Bank, Million-Bank, East-India, and Africa*, we may reckon at Ten Millions Capital; and these upon an Average at 300 *per Cent.* which is about 30 Millions: all these together

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together make about 214 Millions. Besides Bubbles numberless, which bore great Premiums; wherein the less People trusted in them, the more Money was drawn out of them, and the last Proprietors undone!

I AM afraid to mention it, but it's to be fear'd too true, That out of our Stocks in general, Foreigners, and cunning Men among ourselves, have withdrawn beyond-sea very large Sums: admit they have sold in all one Million, one with another at 500 per Cent. Five Millions of Specie drawn out of the Kingdom, is more than can be borne, without the bad Effects which we now feel.

I SHALL not touch upon the other suppos'd Causes of the Fall of Stocks; I shall only take notice, That the great Disproportion between the Specie and Paper-Money, is the true Cause of the present Decay of Publick Credit, and the Decay of that is the Cause of the Fall of Stocks; or, if you will, another way——The great Prices which all Stocks did for some time bear, and the extravagant Usury taken for Money,
together

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together with the unbounded Avarice of the Goldsmiths and Bankers, has been the Cause of the Increase of Paper-Credit beyond its just Bounds; which wanting a sufficient Quantity of Current Coin to circulate it, has brought on the Decay of Credit, and Fall of Stocks.

AND here I'm arriv'd at my design'd Port, and it's time I were giving my candid Readers an Account of what Bullion I have imported for Coinage, to help to raise up a proportionable Paper-Credit again, and to establish such a mutual Confidence, as is a Concomitant thereto absolutely necessary. And this Account I desire they will please to accept of me by way of *Postulata's*; and when they have perus'd and consider'd it, they may give it what Name they think it deserves. But, first, you must allow, that what follows is not meant as just Calculations, but is set down *per Exemplum*, and is only understood to hold true in some such like Shape and Proportion, according to the Report of a Committee, or Commission, for that purpose, suppos'd to be appointed by the Grand Senate of the
B Nation,

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Nation, to enquire into these Matters.

Admit then, that the several Funds, applicable to pay the Interest of the Publick Debts, do produce *per Ann.* including certain Allowances for Charges ————— *l.* 2,200,000

And that there is likewise a sinking Fund of ————— 400,000

————— 2,600,000

Say, there is remaining of Capital *South-Sea* Stock in the Hands of the Persons possessed thereof 25 December 1719. ————— 4,000,000

Say, that upon the Rise, and since the Fall, there be found, upon an Average, Stock in the Books, which has cost about 200 *per Cent.* ————— 2,000,000

Set these two Articles aside for the Purposes hereafter mention'd.

Then

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Brought forward of Annual Fund ————— 2,600,000

Then suppose, that upon the Rise and Fall there be found ————— 4,000,000

Which cost *per Average* 500 *l.* *per Cent.* Give that 15 *per Cent.* Dividend ————— 600,000

Say, the Long-Annuities be all reduc'd to 300 *per Cent.* and have no *Midsummer* Dividend; and that they be valued at 20 Years Purchase: and say, the Quota subscribed be 12 Millions, they will have Capital *South-Sea* Stock ————— 4,000,000

Give them their old 5 *per Cent.* which on the new Stock is 15 *per Cent.* ————— 600,000

Say, that at the highest Prices there be found ————— 1,500,000

Per Average at 750. give them 20 *per Cent.* ————— 300,000

And confirm them ————— 1,500,000

and the Annuities to be Perpetual Stock, or Remaining Annual Fund 1,100,000

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Brought over of Remaining }
 Yearly Fund ————— } 1,100,000
 at least not redeemable for a certain Term of Years.

Here I shut up the *South-Sea* Capital Stock at ————— 9,500,000

Whereof 4 Millions may be redeem'd, in the manner after-mention'd, in three or four Years time: And now you see a Stock become manageable, and a solid and certain Dividend annex'd to it. The Stock being now become valuable, the Money lent by the Company, at and under 400, is sure; and it is presum'd the Directors have enough to make good the rest. Suppose then the seven Millions, payable to the Government, be converted to pay off the Redeemables; the

South-

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Brought forward of Annual Fund Remaining — 1,100,000
South-Sea Company, by the help thereof, together with the Forfeiture of the Directors Estates, have sufficient to pay off the Redeemables in Ready Money or Value, in a valuable Stock.

Say, there has been actually paid by the Subscribers to the Money-Subscriptions (for I compute not Money endors'd, by way of Loan, upon the Receipts) ————— 10,000,000

Give them an Interest of 3 per Cent. — 300,000

These Creditors, who, I may say, are come in place of the Redeemables, I propose to ingraft in the *Bank*; to which happy Corporation, for their Encouragement, certain Advantages may be given, as may

————— 300,000
 Annual Fund Remaining 800,000

t

Brought over of Annual Fund Remaining---- 800,000

be found consistent with the general Welfare.

Say, the National Interest be reduc'd to 4 per Cent.

Say, that all Contracts, Bonds, Bills, and other Securities for South-Sea Stock, not yet finally executed, by Payment of Money, be made void; and where Stock has been actually delivered, the same to be return'd to the Seller. And that for the Relief of real Sufferers, by this very necessary step, a new Debt, which I cannot think will amount to three Millions, be created, with an Interest of 3 per Cent. inde per Ann.

..... 90,000
----- 90,000

Annual Fund Remaining— 710,000

N.B.

N.B. IN such a Method for Relief of real Sufferers I admit no Redress to such who only have lost what they gain'd; neither do I suppose a compleat Redress to any, but such a general proportionable Relief, as may make the remaining Loss fit easy upon them, and put them in a Capacity, with Industry, to overcome it.

TO find out the Extent and Weight of these Contracts, appoint a Committee or Commission to take an Account of them, whether compounded or subsisting; for according to the Value of Compositions, and the Price which the Stock cost the Seller, the Redress will frequently be found nothing, or little in proportion.

IN such an Inquiry, a previous very penal Law against Prevarication, may be of much Benefit to the Publick, and Ease to a Committee or Commission. To perfect this Inquiry, it belongs to the Wisdom of the Nation to consider how necessary the Continuation of the Parliament may be for another Year; for if I understand right, neither Committee

mittee nor Commission can act after a Dissolution of the Body, from whom they derive Authority.

HAVING now knock'd off the Fetters of Thousands of all Ranks, and provided some equitable Relief to the real Sufferers, you begin to look about you, and find Cheerfulness in every Man's Face. The Generosity, the Mercy, the Faith of an *English* Parliament are applauded by the whole World; Trade begins to flourish, the Poor are fet to work, and our neighbouring Nations once more find it true, That as *England* cannot be ruined but by *England*, so she can be only saved effectually by the same hands.

BY this time you enquire what I propose to do with the first two Articles of my Account, which I shall proceed to do. Having created a new Debt of three Millions, with an Interest of 3 *l. per cent.* for Relief of real Sufferers, there will still remain *per ann.* a Fund of l. 710,000

Now

Brought over of Annual Fund remaining l. 710,000
Now the first of these Articles I pay off at *Par* } l. 4,000,000

The second I have allow'd cost the Proprietors, *per Average*, } l. 4,000,000
200 *l. per cent.* I therefore give them also } l. 8,000,000

To pay these eight Millions, I propose a new Species of Exchequer Notes of that Value shall be made out by Authority of Parliament, consiting for the most part of Bills of 10 *l.* each, with an Interest of one *per cent.* and that they be enforced in all Payments as lawful Money l. 8,000,000

Remains to be apply'd as the Parliament thinks fit l. 630,000

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I might now proceed to form wonderful Projects upon the foot of so good a Ballance remaining to the Nation, to extinguish the Debts thereof; but it is high time to stop. If I have said nothing to the present purpose, I have said a great deal too much; if I have advanced any just Observation, the Houses of Parliament are wise and just, and will, no question, take such Measures, as to them may appear most equitable for the National Good, notwithstanding the great Fears, and Jealousies, and Clamours at this time over the whole Nation; which, I hope, will at last appear to have been ill-founded.

AND now having finished my Account, for you may remember I left it to you to give it a Name; I expect the common Fate, A few Friends, and a great many Enemies. But because I am willing to have as few of the latter as may be, (and, by the by, I expect both the Annuitants, the Redeemables, the Money-Subscribers, the Purchasers of *South-Sea* Stock at high Prices, and the Bank, to be my Friends) I beg leave to transgress upon your Patience a little,

little, to say something in favour of the Productions of my Brain, whereof I (like most of my Brethren of the Quill) am apt to be fond enough.

I CONCEIVE then, in a very short time, the Redeemables will be unlock'd; and when eight Millions of new Money is paid out of the *Exchequer*, and *South-Sea* Stock so much circumscribed; and by the certain infallible Dividends annex'd to each different Class, the Stock (National Interest being reduc'd) will be more intrinsically worth the Capital answering to these Dividends, than any part of them ever was heretofore. I am of Opinion also, that Trade will flourish, when Money is hereby made plenty, and the Terrors of Prisons and Poverty remov'd far from the Nation; so that much more Money, now lock'd up, will soon appear abroad again: such who have withdrawn their Money beyond Sea, will bring it back again, seeing a better and greater Security than heretofore; and by the help of the remaining yearly sinking Fund, the National Debts may be made light and easy, and soon reduc'd within Bounds. In fine,

no Persons will have any ground left for Complaint, but such who can't make out a very good Title to the Wealth they have acquir'd from *Christmas 1719 to Christmas 1720.*

I A M appriz'd of some of the common Objections that will be made to this Method propos'd, *viz.* the Difficulty to judge of the Price of every Man's Stock, the endless Labour and Confusion that would attend such a Scrutiny, the Injustice that would be done, by avoiding Contracts, &c. to People who gave perhaps seven or eight hundred Pounds for Stock in present Money, and sold it for Time. My Answer to this last is, That the Relief I have propos'd, by creating three Millions of new Debts, is chiefly intended for all Persons in these or the like hard Circumstances; but it is not intended in the least for those honourable Gentlemen of the *Alley*, call'd or known by the name of *Bears*; nor of a certain Species like unto them, who sell their Stock, for a long distant time, at a high Price, and sell that same Stock for a very valuable Profit for ready Money: and when the time of the poor Contractor

trafter comes, the Stock is bought in upon him to bind him to a hard Bargain. Says the Seller, Stock has no Ear-mark—but sure if he sells *all* his Stock, reserving none for Delivery at a distant time, he deserves to be Ear-mark'd with a witness; who having embrac'd a good Market, would claim the Privilege to *bear* it upon another to his Ruin.

H A V I N G obviated the Hardship apprehended by such Sellers who merit Relief, I come now to tell you, the way to come at the Price of every Man's Stock, is by a strict Survey of the Transfer-Books, supported by the current Prices of Stocks, as publish'd in the *Courant*, *Freke* and *Castain's* Papers, and the Oaths of Parties and Brokers. That it will be a tedious Work, is not doubted; but is this a time of day to scare at a Publick Good, because there may be some Difficulties or Delays in it? It is, in my Opinion, a matter not to be patch'd up on a sudden; it is no less a matter than laying a lasting Foundation for our future Welfare; and a Beacon, to teach the Generations to come to beware of Golden Dreams.
Whatever

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Whatever Difficulties may at first appear, I may say, without pretending to the Spirit of Prophecy, that unless a strict Scrutiny be both attempted and overcome, the Confusion, the Fears, the Jealousies, and Heart-burnings of the People will be greater every day, and the Misery of the Nation endless. What if, upon such an Inquiry, some Difficulties should still remain? Is it not better to have to deal with a few Difficulties, than, by the Neglect of such Inquiry, to leave three quarters of the Nation to perish, and the remaining part to languish away? For as the Poor cannot subsist without the help of the Rich; so neither will the Riches of the latter avail them much, when the Means of the Poor's Subsistence are taken away.

F I N I S.

