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THE
C A S E
OF
CONTRACTS

FOR
SOUTH-SEA Stock, in general,
SINCE
Taking of the *Third Subscription*, at 1000
per Cent.




L O N D O N:
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THE
SOUTH SEA
COMPANY
CONTRACTS

For the Sale of
South-Sea Stock,
&c.



THE
CASE
OF
CONTRACTS
FOR
South-Sea Stock, &c.

ONTRACTS, for Sale of *South-Sea* Stock, for distant Times, were in Use before the Company took in the Third Money Subscription; and the Bait, at that Time, was partly a strong Presumption in the Buyers, that the Stock wou'd rise higher than the Price at which they bought; and partly an Expectation of a large Dividend. to support it: And the Sellers had nothing more in View, than to secure a certain Profit.

But, when the Company sold such an immense Sum as 5 Millions at 1000 *per Cent.* and which was swallow'd up so greedily as to bear a Premium of 200 *per Cent.* for ready Money, and 350 for Delivery of the Receipts; then, indeed, many began to think of a Dividend, at least answerable to 1000 *per Cent.* and some, even not a few, considering what a great Quantity of Stock the Company had still to dispose of, reckon'd upon such a Dividend as might support the Value of the Stock at 1500 *per Cent.* This was certainly

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the Case in General, before, at, and for some Time after, the Third Subscription was taken in.

It is generally agreed, that the Security which every Man propos'd to himself in buying Stock at such high Prices, especially after the Third Subscription, was the Dividend suggest'd, which was differently furmish'd; but the least, and where-with every Body was pleas'd, was *50 per Cent.* which was accordingly afterwards declar'd.

Now, as the Reduction of the whole Scheme has so far reduc'd the Value of the Stock, and so far alter'd the projected Measures of the Company, as to render them unable to divide above ——— *per Cent.* The Question may be, What is the Equitable Part between the Parties contracting, Buyers and Sellers?

For, to pursue the Case a little further, it is necessary to take Notice, that the Sellers are *Proprietors*; (if they are not, it's to be hop'd no Regard will be had to them;) and the Buyers are to be presum'd *not Proprietors*. In this Light, the Reducing of the Scheme, and consequently of the Dividend, is the premeditated, free, and voluntary, Act of the Proprietors, in a General Court of the Company: Therefore, the Seller is a Party consenting to the Detriment and Hurt of the Person to whom he sold; and the Buyer was altogether unable to prevent it. Hence it is infer'd, that the Buyer cannot be presum'd to Suffer, by being ty'd to the Performance of a Contract; of the True and Real Benefit whereof, the Seller has been Active to Defraud him.

The Equity between Buyer and Seller seems therefore naturally to be, that all Contracts Subsist, and stand Good, at such a Price as may be answerable to a Dividend, to be declar'd for a certain Term of Years.

Now the Buyer has some Security for his Money, because it is morally certain that the Ensuing Parliament will take such Care to Restore and Establish the Publick Credit of this Great Stock, as that no Imaginary Dividend, or other Fallacious Means, may be able to Hurt it.

Here the Seller is sure of a just Price; probably he sold Original Stock, or bought it under the Price; he has Profit enough: probably he bought it higher, — *He is in better Case, than those who did so, and have not Sold*: And, indeed, it is such,

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such, and such only, who bought high, and have sold; or such, whose Necessities have forc'd them to sell at low Prices, that have most Reason to complain; the later of which are Undone, without any Hopes of Relief.

There are in, and about, *Exchange-Alley*, a Set of People, who are mightily out of Humour, if you talk of such an Equitable Com-promise: What? Say they, where is Honour? What will become of that mutual Trust and Confidence among Mankind, if Contracts are broke thro', and infring'd? This must needs Destroy all Publick Credit. But, by their good Leaves, who reason so, they are very well known, and very well understood to be the *Sellers!* to be, generally speaking, (a very few Honest, Worthy Gentlemen, excepted;) *such* who have made their whole Fortunes by the Stocks; to be *such*, who, by their Skill in Stock-Jobbing, have prey'd upon the Wealthiest Part of the Nation; to be *such*, who have improv'd every Calamity of the Nation to their private Advantage; and *such*, who, at this Time, make the greatest Clamour; not because they are strip'd of their Paternal Estates, (the Case of Thousands) but because they are like to be disappointed of immense and unreasonable Gains! Let their Conditions be look'd into for Two or Three Years back, and you shall find *Nine* in *Ten* of 'em worth little or nothing; yet, these are the People that cry out, Honour, and Good Faith, and Publick Credit, and Mutual Confidence, among Men! whose vile Practices, alone, have impos'd upon the honest, tho' unthinking, Part of the World, to the Destruction of all together!

But, I will tell these Patriots, that Honour and Good Faith, which signify the same Thing, is not founded on Usury; on Oppression; on Avarice or Injustice: But it is founded on Truth; on Justice; on Equity; on Mercy; on Mutual Friendship; and Forbearance, in Love and Charity; to which these Honourable Gentlemen have the least Pretensions.

Which is most Reasonable; or, as they put it, most Honourable; or most Just? The Buyer must be strip'd and starve, that the Seller may be Rich? Or that an Equitable Com-promise should leave a Subsistence to Both?

Much

Much might be said why many Contracts ought to be made void, or made to subsist at a lower Price than may be answerable to a Dividend to be declar'd--- As that the Seller, by Contract, at 1000, for Example, did, soon after, sell the same Stock, for Ready Money, at 800, together with the Deposit in Stock, at the same Price; and bought in the same again, perhaps, at 2 or 300: This is making a Property of the Buyer, with a Witness. The other is, that many (who sold Stock at high Prices) will be found (on strict Enquiry) to have had no Stock; or at least, nothing near answerable to what they sold; which Sort of Honourable Gentlemen are commonly distinguish'd by the Name of *Bears*.

The Author, to be before-hand with these Honourable Gentlemens Gueffes, declares he has bought Stock at 970 *per Cent.* and has made Deposit in Stock for it with the Seller; and therefore thinks he has Liberty to plead such a Redress as may be consistent with *Honour*, with *Justice*, and with *Equity*: And tho' he has just Ground to believe the Seller sold the Stock and Deposit, at some Price above 800; yet he, for his own Part, is willing to chuse the *Middle Way*, and thinks it Equitable that the Bargain subsist upon a Foot answerable to the Dividend to be declar'd, for a certain Term of Years.

But here he must beg Pardon of all those in the like Case with him, for Publishing his Opinion; (which, tho' nothing conclusive, they may, however, misconstrue;) to which, nothing mov'd him so much, as a hearty Desire to see the Publick Credit in general restor'd; to which, the Restoration of the Credit of the *South-Sea* Stock, upon a solid, equitable, and lasting Foundation, will contribute more than any Thing else; and one Mean to that Great End is, to Redress a Grievance, which threatens the greatest and better Part of the Nation, ~~from~~ Impending Ruin.

W. M.
F I N I S.