

22-19

0 1 2 3 4 5 6 7 8 9 10

0460

NUMB. CCLXXIV.

The Free-Thinker.

— *Amoto, quæramus seria, ludo.*

H O R.

Friday, November 4. 1720.



AFTER the Letter of Mr. D. G. (published in last Friday's Paper) there is little Occasion to say any Thing to Men of Candour in justification of Printing his *Calculations*. By the Date of his Letter it appears, I might have sent this Performance sooner to the Press: And the Reason, why I defer it no longer, is, that the Persons, who desire to Reason and to Act impartially, in a Concern of the utmost Importance, might have a few Days to consider the Question, He undertakes to resolve, before the Parliament meets.

In momentous Affairs, that (one way or other) engage the Attention of a whole Community; as long as there are Good and Bad Men, there is no contending either for a Truth or a Falshood, for Justice or Injustice, without pleasing and even benefiting Some; and without not only offending, but even prejudicing Others. Since then, of Necessary, one Side or other must suffer in all Contentts about Right and Wrong; it is the Duty of the *Free-Thinker* to endeavour to bring the *Unreasonable* over to the *Reasonable*; or, at least, to shew himself willing to assist the *Latter* to prevail over the *Former*.

When a Question has been puzzled by Ignorance and Artifice; to make the Truth appear

(Price Four-pence.)

to different Capacities, it is necessary to shew it in different Lights. The Nation has been imposed upon by some false Accounts of the *South-Sea Stock*; to expose which, there have been other Computations given of it; which, if not precise in all Points, yet approach very near to the Truth: To which let the following Calculations be added, with as many more as may be published; that, by comparing them all, we may (before it is too late) know the just Estimate of a *Stock*, which, for want of being sufficiently examined into, has proved the Ruin of so many Families.

As to my Correspondent's *Analytical Essay*; he submits it to the free Examination of every Man, with a Desire to be farther informed in a Matter of publick Concern. In the mean Time; if it can be proved, that it is the Interest of the Nation, that the just Value of the *South-Sea Stock* should be concealed, or (which is the same) that a false Value should be set upon it; I shall, then, be ready to acknowledge my self to blame in putting my Readers upon *Calculating*. Nevertheless, if ever it be My good Fortune to purchase a small Farm, after I have gone through the Fatigues of my Profession; I shall strictly enquire into the Value of the Land, and how far it is improvable, and peruse the Rent-roll, before I pay my Money

QUE

(2)

Question. What is the Value of the South-Sea Stock ?

THE Company's original Capital Stock at passing the Act, —	11,746,844
Long Annuities to be taken in, 666,821 l. per An. which, computed at 20 Years purchase, according to the Act, amount to —	13,336,420
Short Annuities, 81,000 l. per An. which, at 14 Years purchase, according to the Act, amount to —	1,134,000
Lottery Annuities of 1710. 46,260 l. per An. which, at 14 Years purchase, according to the Act, amount to —	647,640
Redeemable Debts to be Taken in. —	16,546,482
Total of what the Company's Capital Stock will be, if all the Debts are taken in —	43,411,386

First. We will suppose, the Company was clearly out of Debt, at the Passing of the Act; and that they then had a Capital Stock Intrinsically worth —

Capital Stock.	11,746,844
----------------	------------

Secondly That there was taken in by the First Subscription (as per Whitehall Evening-Post Sept. 24.) the Sum of 427,340 l. per Ann. of the Long Annuities (which, at 20 Years Purchase, amounts to 8,546,800 l.) according to the Company's Proposals; which are, To give 32 Years Purchase, viz. 700 l. in Capital Stock at 375 l. per Cent. and 575 l. in Bonds and Money, for every 100 l. per An. for which 100 l. per An. the Company are to receive from the Government but 2,000 l. being 20 Years Purchase. To distinguish clearly in this Case, what the Company sell their Stock for; deduct the 575 l. paid by the Company in Bonds and Money, from the 2,000 l. the Company are to receive, and there will remain 1,425 l. which is what the Company sell their 700 l. Capital for. Now, since there is in the aforesaid Sum of 8,546,800 l. (being the Value the Company are to receive of the Government for the whole of the above subscrib'd Annuities) 4,273, 4' Annuities of 100 l. per Ann. or (in other Words) Shares of 2,000 l. each; on each Annuity or Share whereof, the Company pay in Bonds and Money 575 l. amounting in the whole to 2,457,205 l. which being deducted from the said Sum of 8,546,800 l. there will remain 6,089,595 l. from which if we farther deduct 570 l. (supposed to be paid by the Company in Money for such odd Sums as would not reach 5 l. Capital) then there Remains 6,089,025 l. which will be the Sum the Company will receive for 2,991,100 l. Capital Stock, sold on this Account: For, 700 l. Capital is to 1,425 l. as 2,991,100 l. Capital is to 6,089,025 l. By this Bargain, the Company will encrease their Capital 2,991,100 l. and add 6,089,025 l. to their Stock in Hand, to answer to their several Proprietors.

Capital Stock.	2,991,100	6,089,025
----------------	-----------	-----------

Thirdly That there was taken in upon the Second Subscription (as per same Evening-Post) the farther Sum of 125,392 l. per An. of the Long Annuities (which, at 20 Years Purchase, amounts to 2,507,840 l.) upon the Company's Proposals, viz. To give 32 Years Purchase, to be paid in Stock at 400 l. per Cent. which is 800 l. Capital Stock for every 100 l. per Ann. for which 100 l. per Ann. the Company being to receive from the Government but 2,000 l. as aforesaid, They, at this Rate, sell each 100 l. Capital for 250 l. Now, when from the said Sum of 2,507,840 l. (being the Value the Company are to receive from the Government for the whole of the last subscribed Annuities), we have deducted 15 l. for odd Money, there will remain 2,507,825 l. which will be the Sum the Company will receive for 1,003,130 l. Capital Stock, sold at 250 l. per Cent. For, 100 l. Capital is to 250 l. as 1,003,130 l. is to 2,507,825 l. By this Bargain, the Company will encrease their Capital 1,003,130 l. and add 2,507,825 l. to their Stock in Hand, to answer to their Proprietors

Capital Stock.	1,003,130	2,507,825
----------------	-----------	-----------

Carried to Fol. 3. 15,741,074 20,343,694

(3)

Brought from Fol. 2. —

Fourthly. Let us suppose, That there was taken in, (as per same Whitehall Evening-Post) by the First Subscription of the Short Annuities, the Sum of 48,132 l. per Ann. (which, at 14 Years Purchase, amounts to 673,848 l.) according to the Company's Proposals; which are, To give 17 Years Purchase, viz. 350 l. in Capital Stock, at 375 l. per Cent. and 217 l. 10 s. in Bonds and Money, for every 90 l. per Ann. for which 90 l. per Ann. the Company are to receive from the Government but 1,260 l. being 14 Years Purchase. In order to see what the Company sell this Stock for, deduct 217 l. 10 s. paid by the Company in Bonds and Money, from the 1,260 l. the Company are to receive, and there will remain 1,042 l. 10 s. which is what the Company sell their 350 l. Capital for. Now, if from the Sum of 673,848 l. (being the Value the Company are to receive of the Government for the whole of the above subscribed Short Annuities) we deduct 378 l. (supposed to be paid for odd Money), there will remain 673,470 l. wherein is contained 534, 5' Annuities of 90 l. per Ann. or (in other Words) Shares of 1,260 l. each; on each Annuity, or Share whereof, the Company pay in Bonds and Money 217 l. 5'; amounting in the whole to 116,253 l. 7' 5": which being deducted from the said Sum of 673,470 l. there will remain 557,216 l. 2' 5"; which will be the Sum the Company will receive for 187,075 l. Capital Stock sold on this Account. For, 350 l. Capital is to 1,042 l. 5', as 187,075 l. Capital is to 557,216 l. 2' 5". By this Bargain, the Company will encrease their Capital 187,075 l. and add 557,216 l. 2' 5" to their Stock in Hand.

Capital Stock.	187,075	557,216
----------------	---------	---------

Fifthly. That by the Second Subscription of these Short Annuities, (as per same Evening-Post) there was taken in the farther Sum of 18,750 l. per Ann. (which, at 14 Years Purchase, amounts to 262,500 l.) according to the Company's Proposals; which are, To give 17 Years Purchase, to be paid in Stock, at 400 l. per Cent. which is 425 l. Capital Stock for every 100 l. per Ann. for which 100 l. per Ann. the Company being to receive from the Government but 1,400 l. they, at this Rate, sell 425 l. Capital but for 1,400 l. and, consequently, the aforesaid Sum of 262,500 l. will, in this Case, be the Sum the Company will receive for 79,687 l. 5' Capital Stock, sold on this Account. For, 425 l. Capital is to 1,400 l. as 79,687 l. 5' Capital is to 262,500 l. By this Bargain, the Company will encrease their Capital 79,687 l. 5'; and add 262,500 l. to their Stock in Hand.

Capital Stock.	79,687	262,500
----------------	--------	---------

Sixthly. Let us farther suppose, That there was taken in by the First Subscription of the Lottery Annuities 1710, the Sum of 15,988 l. per Ann. And since the Company, in their Proposals, make a Difference between the Blanks and Prizes, as to giving Stock and Bonds for the same; and since we know not how much of each has been subscribed; we will suppose one Half of the said Sum of 15,988 l. to be Blanks, and the other Half Prizes. As to the Sum of 7,994 l. per Ann. (the Half supposed to be Prizes) which, at 14 Years Purchase, being the Terms allowed by the Government, amounts to 111,916 l. The Company propose to give 400 l. Capital Stock, and 200 l. in Money and Bonds, for every 100 l. per Ann. for which 100 l. per Ann. the Company is to receive of the Government but 1,400 l. from which deduct the 200 l. paid by the Company in Money and Bonds, and there will remain 1,200 l. which is what the Company sell their 400 l. Capital Stock for, and is exactly 300 l. per Cent. Now, since there is, in the aforesaid Sum of 111,916 l. very near 80 Annuities of 100 l. per Ann. or (in other Words) Shares of 1,400 l. each; on each Annuity of Share whereof, the Company pay in Bonds or Money 200 l. amounting in the whole to 16,000 l. which being deducted from the said Sum of 111,916 l. there will remain 95,916 l. From which if we farther deduct 6 l. (supposed to be paid for odd Money) there then remains 95,910 l. which will be the Sum the Company will receive for 31,970 l. Capital Stock sold on this Account. For, 100 l. Capital is to 300 l. as 31,970 l. Capital is to 95,910 l. By this Bargain, the Company will encrease their Capital 31,970 l. and add 95,910 l. to their Stock in Hand.

Capital Stock.	31,970	95,910
----------------	--------	--------

Capital Stock. 15,741,074

Stock in Hand. 20,343,694

(4)

	Capital Stock	Stock in Hand
Brought from Fol. 3.	16,039,806	21,259,326
Seventhly. As to the Sum of 7,994 l. per Ann. (the Half of the First subscribed Lottery Annuities supposed to be Blanks) which, at 14 Years Purchase, being the Terms allowed by the Government, amounts to 111,916 l. the Company propose to give 350 l. Capital Stock, and 353 l. 5' in Money and Bonds, for every 98 l. per Ann. for which 98 l. per Ann. the Company are to receive of the Government but 14 Years Purchase, which amounts to 1,372 l. from which deduct 353 l. 5', paid by the Company in Money and Bonds, and there will remain 1,018 l. 5'; which is what the Company sell their 350 l. Capital for; and is 291 l. per Cent. Now, since in the above-said Sum of 111,916 l. there are 81 1/2 Annuities of 98 l. per Ann. or (in other Words) Shares of 1,372 l. each; on each Annuity or Share whereof the Company pay in Bonds and Money, 353 l. 5', amounting in the whole to 28,810 l. 2' 5"; which being deducted from the said Sum of 111,916 l. there will remain 83,105 l. 7' 5"; from which, if we farther deduct 170 l. 7' 5", (supposed to be paid for Odd Money) there then remains 82,935 l. which will be the Sum the Company will receive for 28,500 l. Capital Stock, sold on this Account. For, 100 l. Capital is to 291 l. as 28,500 l. Capital is to 82,935 l. By this Bargain, the Company will encrease their Capital 28,500 l. and add 82,935 l. to their Stock in Hand.	28,500	82,935
Eighthly. Upon the Second Subscription of these Lottery Annuities, the Company make no Difference between the Blanks and Prizes; but propose, To give Stock at 400 l. per Cent. and to value each Annuity at 17 Years Purchase; which is 1,700 l. for each 100 l. per Ann. and consequently will be 425 l. Capital Stock for each Annuity; for which the Company being to receive but 1,400 l. from the Government, they therefore sell their 425 l. Capital, for 1,400 l. Now, this Second Subscription being for 14,906 l. per Ann. which, at 14 Years Purchase, amounts to 208,684 l. from which, deducting 84 l. for odd Money, there will then remain 208,600 l. which will be the Sum the Company will receive for 63,325 l. Capital, sold on this Account. For, 425 l. Capital is to 1,400 l. as 63,325 l. Capital is to 208,600 l. By this Bargain, the Company will encrease their Capital 63,325 l. and add 208,600 l. to their Stock in Hand.	63,325	208,600
Ninthly. There being 14,393,788 l. of Redeemable Debts subscribed, deduct therefrom 88 l. for odd Money, and there will remain 14,393,700 l. which, being to be paid for in Stock at 400 l. per Cent. will purchase 3,598,425 l. Capital: For, at this Rate, 25 l. Capital Stock pays for 100 l. and 25 l. Capital is to 100 l. as 3,598,425 l. is to 14,393,700 l. By this Bargain, the Company will encrease their Capital 3,598,425 l. and add 14,393,700 l. to their Stock in Hand.	3,598,425	14,393,700
Tenthly. The First Money-Subscription, being for 2,252,000 l. Capital Stock, at 300 l. per Cent. amounts to 6,756,000 l. and will encrease their Capital 2,252,000 l. and add to their Stock in Hand the Sum of 6,756,000 l.	2,252,000	6,756,000
Eleventhly. The Second Ditto, being for 1,500,000 l. Capital Stock, sold at 400 l. per Cent. will encrease their Capital 1,500,000 l. and add to their Stock in Hand the Sum of 6,000,000 l.	1,500,000	6,000,000
Twelfthly. The Third Ditto, being for 5,000,000 l. Capital Stock, sold at 400 l. per Cent. encreases their Capital 5,000,000 l. and will add to their Stock in Hand 20,000,000 l.	5,000,000	20,000,000
Thirteenthly. The Fourth Ditto, being for 1,250,000 l. Capital Stock, sold at 400 l. per Cent. encreases their Capital 1,250,000 l. and will add to their Stock in Hand 5,000,000 l.	1,250,000	5,000,000
The Midsummer Dividend, of Ten per Cent. in Stock, on the above Capital of 29,732,056 l. will encrease their Capital 2,973,205 l.	2,973,205	
Carried over	32,705,261	73,700,555

(5)

	Capital Stock	Stock in Hand
Brought from Fol. 4.	32,705,261	73,700,555
The several		
Long Annuities Taken in, upon the 1st Subscription, amount to	427,340 per An.	
Ditto on 2d Subscription.	125,392	
Short Annuities on 1st Subscription	48,132	
Ditto on 2d Sub.	18,750	
Lottery Annuities on 1st Sub.	15,988	
Ditto on 2d Sub.	14,906	
Total	650,508	
On this Total of 650,508 l. per Ann. the Government is to Receive from the Company 4 1/2 Years Purchase; (that is, 450 l. for each 100 l. per Ann.) which amounts, in the Whole, to	2,927,286	
And for the Redeemables, the Company is obliged to pay the Government	4,156,306	
And for the Long Annuities, that remain unsubscrib'd, the Government is to Receive One Year's Purchase from the Company; which amounts to	114,089	
Total	7,197,681	
Which Sum being deducted from their Stock in Hand		7,197,681
There will Remain	32,705,261	66,502,874

By this it appears, that the Company will (when all the Subscriptions are completed) have a Stock in Hand of 66,502,874 l. to answer a Capital Stock of 32,705,261 l. which will be for every 100 l. Capital 203 l. 7 s. near. But, if such Capital be valued at 400 l. per Cent. it will amount to 130,821,044 l. and the Stock in Hand to answer it being no more than 66,502,874 l. there must be a Deficiency of 64,318,170 l. to answer 400 l. per Cent. to each Proprietor: This therefore being the Case, it will be incumbent on the Company either to find out a Way, how to pay 130,821,044 l. with 66,502,874 l. or at least, how the Interest They may be able to make of 66,502,874 l. shall discharge the Interest of 130,821,044 l. And whoever shall find out these Expedients for them, will deserve as much Encouragement, as he, who shall find out the Longitude at Sea: Seeing every 100 l. Capital will, thereby, be rendered Intrinsically worth 400 l. and the Wealth of the Nation will be encreased 64,318,170 l.

1. If it be objected, that in this Account too much is deducted for Odd Money; let it be remembered, that the Company have resolved to allow no smaller a Sum in Capital Stock than 5 l. which at 400 l. per Cent. discharges a Debt of 20 l. and consequently, all Sums under 20 l. or between 20 l. and 40 l. or 40 l. and 60 l. or 60 l. and 80 l. and so on, must be paid in Money or Bonds; which in so many Millions, as are subscribed, must needs amount to much more than is here deducted on that Account; therefore the Company are so far from being prejudiced by this Computation, that it is probable they have not disposed of so much Stock, or receiv'd so much Money to their Stock in Hand, as is here supposed. But, that being a Quantity unknown to me, remains to be found out, and I shall call it X.

2. Then again, their Original Capital is supposed to be intrinsically worth 11,746,844 l. with-

without any Deduction for what the Company may have lost by Trade, or otherwise, in so many Years; which being also an unknown Quantity, remains to be found out, and may be called Y.

3. The Loss, also, the Company may have sustained by Lending Money upon their own Stock, is an unknown Quantity, to be found out, and shall be called Z.

4. The Consideration the Bank is to have for Circulating their Bonds, being also an unknown Quantity, and remaining to be found out, let it be called P. N. B. If it be here objected, That the Stock the Bank are to take of this Company is not brought into this Account, That also seems to be an uncertain Quantity.

5. The Expences and Charges about passing the Act, is a Quantity yet unknown; and being to be found out, shall be called Q.

6. The Sums which the several Subscribers (named in the Lists given into the Company) have not paid in on the several Payments already become due on the Subscriptions, is also an unknown Quantity, and remaining to be found out, may be called R.

7. The Sum the Company may have lost by Buying their own Stock at high Prices, as 800 l. or upwards (as per Historical Register No. 19. p. 304) is also an unknown Quantity, and remains to be found out, which call S.

8. What Profits or Advantages may have accrued to the Company by their Trade, for several Years past, I must also confess to be a Quantity to me, at least, unknown; and therefore remaining to be found out, I shall call it O.

Now, when I have cleared up my Equation, I shall be able to give the Publick a more Exact Account; in the mean time, they will here find, The utmost Value of the South-Sea Stock, as it stands at Present, to be about 203 l. per Cent. And even That, not without taking it for granted, that all the Sums, due on the several Subscriptions, will be intirely paid in: And when the unknown Quantities X. Y. Z. P. Q. R. and S. are found out, they must be deducted; and consequently, the Stock will be thereby diminished in its Value. But, should O. prove of any Profit; That, indeed, will be an Addition to the Stock in Hand.

London, Printed by W. WILKINS, at the Dolphin in Little-Britain: And Sold by W. CHETWOOD, at the Post-House next Tom's Coffee-house Covent-Garden; A. DODD, at the Peacock, without Temple-Bar; J. ROBERTS near the Oxford Arms in Warwick-Lane; J. GRAVES in St. James's Street; and T. GRIFFITH at the London Gazette, Charing-Cross: Where Letters and Advertisements are taken in.

The Fall, therefore, of our Stocks nearer to their intrinsic Value, ought not to be imputed to the Loss of our Credit, but rather to the Recovery of our Senses; for (by our late sad Experience) we find, that our Credit is, by no means, to be estimated according to the Extravagant Height of our Stocks: And if we examine the Account of Stocks for the Year 1719: (a Year in which the Credit of England was by no means thought to decline) we shall find very little difference between the Prizes of Stocks then, and at present, if considered according to their intrinsic Values. And, since the raising of Stocks so much above their real Worth, can only prove an Encouragement to Stock-Jobbing, to the Neglect of our Trade (which alone can enrich the Nation) it will be impossible our Debts should ever be paid by our Stocks being Sold at such exorbitant Prices: For, the encreasing of 38 Millions (which is pretty near the Amount of such part of the National Debts as are already taken in by the South-Sea Company) to but 66 Millions, must needs be a very heavy Demand upon the People of England; who may find means to Lend 40 Millions, upon a Mortgage, when they shall not be able to Lend 70 Millions, without great Detriment to them; as I shall shew hereafter.

N. B. There being a Demand for last Friday's Paper, (which is an Introduction to this Calculation) it will be this Day reprinted.

ADVERTISEMENT S.

This Day is publish'd the Second Edition of
 ††† The BATTLE of the BUBBLES:
 Shewing their several Constitutions, Alliances, Policies, and Wars; from their first sudden Rise, to their late speedy Decay. Also how Oceana, the grand Bubble, out of Envy, praying to Jupiter, to destroy Thamefis, and her Sisters, had her Prayer answered, and perished her self, in the same common and miserable Fate. By a Stander By.

Πομπόλις ἡ Ἀνθεμίων. Plaro.
 Sold by J. Roberts in Warwick-lane.

Just Publish'd

The System or Theory of The Trade of the World. Treating of the different Kinds of Value. Of the Ballances of Trade. Of Exchange. Of Manufactures. Of Companies. And shewing the Pernicious Consequences of Credit, and that it Destroys the Purpose of National Trade. By Isaac Gervaise. Printed by H. Woodfall; and Sold by J. Roberts, near the Oxford-Arms, in Warwick-Lane. 1720.
 (Price Six-pence.)