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# Letter of Thanks

FROM THE

Author of the Comparison  
between the Proposals of the  
*Bank* and the *South-Sea*, &c.

TO THE

*Author* of the ARGUMENT,  
Shewing the Disadvantage which will  
accrue to the Publick, from Obliging  
the *South-Sea* to fix what Capital  
Stock they will give the Annuitants.

L O N D O N :

Printed, and Sold by J. ROBERTS in  
*Warwick-Lane.* 1720

( Price Three Pence. )

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A  
Letter of Thanks

FROM THE

Author of the Comparison  
between the Proposals of the  
Book and the late-...

TO THE

Author of the Argument  
showing the Incongruity  
of the late-...  
Book they will give the

A B O V E

Printed and Sold by J. B. ...  
...  
(Printed in London)



...to other such I give to the  
...as any Man in his Wits  
...I take this  
...in the most  
**Letter of Thanks**  
...as you endeavour to dilige  
...to Wits  
**TO THE**  
*Author of the Argument, &c.*

**S I R,**  
**A** I have always Esteem'd it Ingratitude to receive Obligations without acknowledging them; so I should think my Self very unworthy, if I did not own the Favour you have done me in your late Performance, by making out unanswerably the whole  
A 2 Contents

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Contents of mine, and proving that it is neither the Interest, nor Intention of the South Sea Company, to offer such Terms to the Annuitants, as any Man in his Wits will accept of: And I take this Civility to be done in the most handsome, and acceptable Manner, as you endeavour to disguise, and conceal it, and seem to Write against me.

In Page 1<sup>st</sup>. and 2<sup>d</sup>. you declare it, to have been always your Opinion, that the Bank might have executed this Undertaking, more Advantageously to themselves, and the Publick, than the South Sea; and that you always wished them Success, till the latter had made larger and more Advantageous Proposals than the former. Now, Sir, in Justice to you, I must declare too, that this Proceeding is very Generous, not only, as,  
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I dare believe, it is much against your Interest, and you would have been a great Loser by it; but as it implies a Confession, that, if even the said Proposal ceases to be more Advantageous to the Publick, than that of the Bank, that in that Case the Bank ought to do it yet.

In the 3<sup>d</sup>. Page, you are yet more generous; for you own, that the Annuities are the Burthensome part of the Debt, that the Nations labours under. And the Prospect of paying off these, was the Chief Inducement of the Committee, to accept of the whole Proposal. Which, with my humble Submission, I take to be a plain Confession, that, as this was their Chief Intent, so they ought to have all the Assurances which the Nature of the Thing is capable of, that those who undertake it are both able and willing to do it;  
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not only to prevent their having  
Recourse to low Stock-Jobbing  
Tricks, (which you have shewn,  
in the 15th and 16th Pages, must  
otherwise be the Case) but also to  
hinder the Publick from being Buba  
bled out of Seven or Eight Milli  
ons, to glut and gormondize a few  
Blood-Suckers, as I have shewn  
will be the Case.

I must confess too, Sir, that you  
have taken the most proper Medi  
um to prove that the *South-Sea*  
Company will do it, by endea  
vouring to shew that it will be their  
Interest to do so; otherwise, I sub  
pose no Man living will expect it  
from them. And this is the Point  
which is now to be Examined.

In Order to make out this  
Point, you have given us a Com  
putation, (which, I will beg leave  
to

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to think, there can be no Use in ex  
amining,) that if the *South-Sea* Stock  
continues at 175, and that the A  
nuitants will but accept 25 Years  
Purchase and a half, in this Stock,  
then the Company may pay them  
off, and get near Five Hundred  
Thousand Pounds by the Bargain,  
to be Divided amongst almost  
Forty One Millions Capital;  
that is, something more than One  
per Cent.

Now, Sir, if either by the Ad  
dition of more than Thirty Mil  
lions new Capital, or from the  
prudent Management of certain  
Persons selling out, and, like ano  
ther sort of Vermin, knowing when  
to quit a falling House, the Stock  
should fall to 165, then this Com  
putation is at an End; and it will  
not then be the Interest of the Com  
pany, to give them even this  
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Twenty Five Years and halfs Purchase, though they will be able to afford much more by the Profits they make of the Redeemables.

*Secondly*, if this Society should not think it convenient to wait till the whole Forty One Millions are Subscribed, before they Divide any Part of the Profits arising from their Bargain; but, as prudent and discreet Companies have used to do, on like Occasions, should make Dividends of any of the Profits which will accrue from the taking in Part of the Redeemables; then also, this Twenty Five Years Purchase and a half will not be the Encouragement you intend to give to the Annuitants; because Part of the Profits will be drawn out for the sole Benefit of the present Proprietors, and such new Ones as will be adopted before the Dividends

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Dividends are made; and consequently those who are let in after, will have a proportionably less share of the Advantage of this Bargain. And I doubt such a Thing as this may possibly happen, because I have been told that, once upon a Time, a certain Trading Company, when they were not worth a Groat, Voted a Dividend of 50 per Cent. to Themselves, which they paid out of the new Subscriptions of their additional Stock, advanced by other People.

*Thirdly*, Sir, you have shewn your Self a Person of such Ability, as well as Integrity, in this Performance, that I perswade my Self that you did both see, and intended to confess and make out to the World, the Truth of what I asserted in Mine, viz. *That a Circumstance could not be put wherein the*

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South-Sea could offer such Terms to the Annuitants, as they would accept of, without its appearing at first View, that it was more for the Interest of the Company to pay the Penalty.

Now I conceive you have illustrated this Proposition, by showing what are the highest Terms the Company can afford to offer, without losing some of the Advantages they will get by paying off the Redeemables; and I presume, you intend it should appear, at first View, that no Annuitants out of Bedlam will accept such an Offer; for, a Person of your Perspicuity cannot avoid seeing what every Body else sees, viz. That the additional Rise of this Stock above the true Capital, will be only imaginary; that One added to One, by any Rules of Vulgar Arithmetick, will never make Three and

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a Half; and that consequently all the fictitious Value must be a Loss to some Persons, or other, First or Last; that the only Way to prevent it to ones Self, must be to Sell out betimes, and so let the Devil take the hindmost: Nor can I see the least Reason to complain of the Injustice of such a Proceeding, because no Body can be Cheated by it, but those who designed to Cheat Others.

I would therefore appeal, Sir, to your Sincerity, whether, if you were an Annuitant, you would Subscribe an Interest, (which at present will Sell for Twenty Five Years Purchase in Money, and as soon as the other Funds are paid off, will certainly Sell for Seven or Eight and Twenty) into a Stock where it will not be afterwards intrinsically worth above Fourteen, and in

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few Years may, and probably will, be paid off at that Price ; and when all the Interest which will be Received in the mean Time, will not exceed Two and a Half per Cent. at the Price you Buy it at, except what must be Deducted out of the Capital ; and this done too, to serve no Personal Purpose or Advantage ; but, as I said in my former, only to get Plumbs for a few Knights of the Alley.

Now the *Bank of England* Judged more reasonably of this Affair ; for, they considered that the Annuitants must run equal Hazard, and suffer proportionably, with themselves in the Fall of their Stock, (if that should happen, and no One could tell how soon it might happen) and consequently they thought it but just, that they should gain by the Rise of it. They  
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were willing to admit them as Brother Adventurers, and were too equitable, to propose to them to Play at the Childrens Game, of *Cross, I win ; Pile, you lose* ; and indeed, had too much Wit to think that such a Proposal would be accepted ; and I dare say, you believe the same, and therefore must continue in the Opinion, that you intend your Argument to shew, Namely, that it is neither the Interest nor Intent of the Projectors of this Scheme, to pay off the Annuitants, which I confess you have fully made out.

I am the further induced to be of this Opinion, by your sneering Raillery upon that Honourable *House*, as if you supposed they were of your Mind ; by your unseasonable Bullying of the Annuitants, (who have been Guilty of  
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no Crime which I know of, but that of not being Stock-Jobbers) by your declaring that, if the *South-Sea* are obliged to own and tell their Designs, their Stock will fall, and they cannot comply with their Proposal; but most of all by that admirable Hint with which you conclude your Treatise, in these Words, viz. *I conclude from hence, that immediately upon the Bill's being brought into the House, they will come to an unanimous Resolution not to lay any Restraints of this Kind upon the Company;* and then, you say, Stock will rise.

Now, I humbly conceive, you intend by this to cry out, *'ware Horns*, and to give the World notice that such a Motion is intended to be made, that every one may be upon his Guard against it. So having, in my poor Opinion, done all the Justice to your Performance, which

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which can be expected from One who may be mistaken for your Adversary, I shall conclude with making two or three other Observations.

It is observed by some Gentlemen of the *South-Sea*, that it is as reasonable that the Annuitants should be tied as themselves; and that, if they are obliged to make such a Proposition as will be acceptable to the House, the others ought to be obliged to receive it. But this unluckily too is overturning the whole Design of admitting such a Proposal to be so much as made: For, if it is not to prevent the Breach of publick Credit, by forcing Purchasers to part with their Interests without their Consent, what need is there of any such Company at all? Every Man living foresees that great Inconveniencies may



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may happen by establishing and uniting so formidable a Society with such an immense Revenue; and nothing can excuse it but the Appearance of a greater Good, in putting the publick Debts in a Method of being honourably paid off and discharged.

To compass this great End, I freely confess that I think it is the Interest of the Kingdom to venture at so bold an Undertaking, even tho' it should give an Opportunity to Stock-jobbers and publick Robbers, to deceive and over-reach some of the King's unwary and industrious Subjects. But then there ought to be the utmost Security that it will answer the Purposes intended, and not secure only the Bad part of the Project, and lose the Good. I thank God the *South-Sea* Company are not yet our Legislators, and the Parliament have no need to call in their Assistance, if ever they think it necessary to name a Price which the Annuitants shall be obliged to accept.

If it had not been usual for Men of great Wit to have short Memories, I should have condoled with these my Friends,

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Friends, the Projectors of this *South-Sea* Undertaking, as fearing that their Scheme had got a Knock in the Cradle, which had turned their Brains also; otherwise they could never have made an Objection against doing the same Thing *now* (upon a much greater Encouragement) which they voluntarily offered to do, and actually did, last Year, upon a like, tho' less Occasion. For, the remaining part of the Annuities of Thirty Two Years, which were granted in 1710, were allowed to be Subscribed into the *South-Sea* Stock at Eleven Years Purchase and a Half; in which Act the Annuitants were left at full Liberty to accept or refuse, at the same time that the Company were bound down; and no Complaint has been as yet made by them of this Usage.

If I was disposed to follow the laudable and approved Custom of offering Arguments to others, which do not convince my self, I might enforce what I have said, by attempting to shew that even the Seventeen Years Purchase offered by the Bank would not be a sufficient Invitation to bring in the Annuitants; because, tho' Eleven Years Purchase and

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a Half was given to those of 1710 (which was a much greater Encouragement to them to subscribe into the *South-Sea* Stock according to the Price their Interests then sold, than Seventeen is to the long Annuitants according to the Price theirs now sell for) notwithstanding about half of them have not subscribed; but I confess that Disappointment was owing to other Causes, *viz.* partly from the shortness of Time, being allowed only till Midsummer, and partly because the Commissioners could take in none but compleat Sets of Tickets, or at least where more than the first three of each Set were wanting; whereas a great Number of the Proprietors, not foreseeing the Inconvenience, had broke and divided their Sets, and by that Means were excluded, tho' willing to subscribe.

Indeed I am so far from the Opinion, that the Bank Offer would not have had the desired Success, that I really hope and believe that the same Proposal from the *South-Sea*, would be accepted, tho' much less valuable; not only as the former neither have, nor can loose any Thing by Trade, and consequently are not liable to be cheated by their Directors,

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tors, and as they have hitherto divided only their Interest and the Profits arising by their Management, which cannot be said of the others; but as by the Advantage of being Bankers they have vast Sums of other Peoples Money in their Power, for which they only give Notes and receive Interest, which adds greatly to their Income; whereas 'tis well known the Management of the latter has wasted part of their Capital, and brought their Company in Debt.

However, if it should happen otherwise, they will be justified to the Nation as having done their part, and they will be then in the unenvied Possession of the Circumstance they seem now to be contending for, that is to say, they will have all the Advantage which will arise from taking in the Redeemables, and by the Stubborness of the Annuitants will be eased of the great Grievance of buying in the Irredeemables, and giving the Publick Four Years and a Halfe Purchase for leave to do so; otherwise I doubt it will be surmised that they never intended to do it, but offered that Encouragement only to disappoint  
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the *Bank*, and trusted to their Interest  
and future Management afterwards to  
disappoint the Publick too.

I am, *Worthy S I R,*

*Your very humble Servant.*

