

# PROPOSAL

## The South Sea Company

1 February 1719

The Corporation of the Governors and Company of Merchants Trading to the South Seas and other Parts of America, and for Encouraging the Fishery, having on 27 January last presented their humble proposal to this honourable House for enlarging the capital stock of the said company by taking thereinto the several annuities and public debts therein mentioned on the terms and conditions in the said proposal also mentioned, in which proposal such advantages were offered to the public, as the said corporation did humbly hope would have been to the entire satisfaction of this honourable House and most conducive to the certain discharging and paying off the whole debt of the nation, and to which proposal they humbly crave leave to refer. But the governors and company of the Bank of England having the same day also delivered a proposal to this honourable House for enlarging their capital stock by taking in the same annuities and debts on the terms and conditions in their proposal also mentioned.

This corporation therefore further, to manifest their zeal and earnest desire to contribute their utmost to the reducing and paying off the public debts, crave leave to offer the following explanations and amendments to their said proposal.

1. As to the sixth article of their said former proposal, wherein they have humbly desired to be allowed for charges of management for their to be increased capital so much as it now costs the government for the charges of paying, assigning, and accounting for the said debts, or such proportion thereof, as the sum which shall be taken in by the company shall bear to the whole of those debts.

They now offer by way of explanation of that article that the allowances therein mentioned are not to exceed a proportion to the allowance they now have by act of Parliament on their present capital for that purpose.

2. That whereas in their seventh article of their said proposal it is mentioned that the annuities for the company's present and to be increased capital be continued at the rates therein mentioned 'till midsummer, 1727. And that from and after that time their then annuity on their whole capital shall be actually reduced to £4 per cent *per annum* and likewise be from thenceforth redeemable by Parliament.

They do humbly offer that if this honourable House do think it more for the interest of the public that in lieu of the said seventh article, all the sums to be taken into the company's capital in pursuance of their proposal shall be redeemable by Parliament from and after midsummer 1724, in sums not less than £500.000 at a time they do consent thereto.

3. And whereas by the tenth article of their said former proposal they offered for the liberty of increasing their capital stock as is therein aforesaid; that they would give and pay into His Majesty's Exchequer for the service of the public the sum of £3.500.000.

They now humbly offer that, over and above the said £3.500.000, they will further give and pay into His Majesty's Exchequer for the use of the public by four equal quarterly payments on the days mentioned in their said former proposal, £500.000 more certain, and also upon all the said annuities for certain terms of years which this company shall take into their capital stock, before the first day of March 1721, after the rate of four year and half purchase, by four quarterly payments, which, if all the said annuities be taken into the said company, will amount to the sum of £3.567.503 or thereabouts, to which being added the said £3.500.000 and the said further sum of £500.000 will amount in the whole to the sum of £7.567.500 or thereabouts.

4. That whereas in the eleventh article of their former proposal they did submit that so much as shall arise by the sinking fund before midsummer 1727 may, from and after paying off such part of the public debts as may be redeemed within that time and which shall not be taken into this company, be applied at the end of every year towards paying off, in even one hundred thousand pounds, that part of the company's capital which carries £5 per cent *per annum*.

They do humbly offer in lieu thereof that if this honourable House think fit to make their to be increased capital, redeemable at midsummer 1724, that the said sinking fund may till that time be applied half yearly to the paying off that part of the company's which is to carry £5 per cent *per annum*.

5. As to the twelfth article of this company's former proposal, relating to the circulating of £1.000.000 in Exchequer bills gratis, and likewise pay the interest for that million, so as no other Exchequer bills be issued than what shall be circulated by the credit of the exchequer, without the aid of subscription or contract.
6. And lastly, that this honourable House may be fully satisfied of the sincere intentions of this company to use their best endeavours to take in all the said annuities for ninety-nine and ninety-six years, which amount to £667.705 8s 1d per annum. This company do further humbly offer to give and pay into His Majesty's Exchequer for the service of the public, by four equal quarterly payments, one year's purchase upon all such of those annuities as shall happen not to come into the company's capital within the time aforesaid.

And whereas this company is very sensible that the prosperity of the nation does greatly depend upon the discharging the public debts (a motive which induced them to make the first propositions of this public and beneficial nature), they do humbly submit these explanations and amendments to this honourable House, flattering themselves that readiness and cheerfulness that engaged them so much earlier than any other society to endeavour to reduce that great debt under which this nation is oppressed, will entitle them to the favour and preference of this House since they are willing and do hereby declare they are ready to undertake this great work upon whatever terms may be offered by any other company.

Katharine A. Esdaile, ed. *Walpole and Chatham (1714–1760)* (1912):21–24.