

To this arrangement parliament acceded, and an act was passed to ratify this contract, and containing full powers to the company accordingly. In March following, South Sea stock rose from 130 to 300, gradually advanced to 400, declined to 330, and on the 7th of April was at 340. This so encouraged the directors, that on the 12th they opened books at the South Sea house for taking in a subscription for a portion of their stock to the amount of £2,250,000, every £100 of which they offered at £300; it was immediately subscribed for at that price, to be paid for by nine instalments within twelve months. On the 21st a general court of the company resolved, that the midsummer dividend should be 10 per cent, and that the aforesaid subscription, and all other additions to their capital before that time, should be entitled to the said dividend. This gave so favourable a view to the speculation, that on the 28th the directors opened a second subscription for another million of stock, which was presently taken at £400 for every £100, and the subscribers had three years allowed them for payment. On the 20th of May, South Sea stock rose to 550. So amazing a price created a general infatuation. Even the more prudent, who had laughed at the folly and madness of others, were seized with the mania; they borrowed, mortgaged, and sold, to raise all the money they could, in order to hold the favourite stock; while a few quietly sold out and enriched themselves. Prodigious numbers of people resorted daily from all parts of the kingdom to 'Change-alley, where the assembled speculators, by their excessive noise and hurry seemed like so many madmen just escaped from cells and chains. All thoughts of commerce were laid aside for the buying and selling of estates, and traffic in South Sea stock. Some who had effected sales at high premiums, were willing to lay out the money on real property, which consequently advanced beyond its actual value; cautious landholders justly concluded that this was the time to get money without risk, and therefore sold their property; shortly afterwards they had an opportunity of purchasing more, at less than half the price they had obtained for their own.

On the 2d of June, South Sea stock rose to 890. On the 15th, many persons who accompanied the king on his foreign journey, sold their stock, which suddenly fell; but the directors promising larger dividends, it got up higher than ever. On the 18th they opened books for a third subscription of four millions more stock, at £1000 for each £100, and before the end of the month it had advanced to £1100, between which and £1000 it fluctuated throughout the month of July. On the 3d of August they proposed to receive subscriptions for all the unsubscribed annuities, and opened books for the purpose during the ensuing week, upon terms which greatly dissatisfied the annuitants, who, confiding in the honour of the directors, had left their orders at the South Sea House, without any previous contract, not doubting but they should be allowed the same terms with the first subscribers. Finding, to their great surprise and disappointment, that, by the directors' arrangements, they were only to have about half what they expected, many repaired to the South Sea House to get their orders returned; but these being withheld, their incessant applications and reflections greatly affected the stock, inasmuch that, on the 22d of the month, at the opening of the books, it fell to 820. The directors then came to the desperate resolution of ordering the books to be shut; and on the 24th they caused others to be opened for a fourth money subscription for another million of their stock, at £1000 for each £100, payable by five instalments within two years: this million was subscribed in less than three hours, and bore a premium the same afternoon of 40 per cent. On the 26th the stock, instead of advancing, fell below 830. The directors then thought fit to lend their proprietors £4000 upon every £1000 stock, for six months, at 4 per cent.; but the annuitants becoming very clamorous and uneasy, the directors resolved that 30 per cent. in money

should be the half-year's dividend due at the next Christmas, and that from thence, for twelve years, not less than 50 per cent. in money should be the yearly dividend on their stock. Though this resolution raised the stock to about 800 for the opening of the books, it soon sunk again.

On the 8th September, the stock fell to 640, on the 9th to 550, and by the 19th it came to 400. On the 23d the Bank of England agreed with the South Sea company to circulate their bonds, &c. and to take their stock at 400 per cent., in lieu of £3,772,000 which the company was to pay them. When the books were taken at the Bank for taking in a subscription for supporting the public credit, the concourse was at first so great, that it was judged the whole subscription, which was intended for £3,000,000, would have been filled that day. But the fall of South Sea stock, and the discredit of the company's bonds, occasioned a run upon the most eminent goldsmiths and bankers, some of whom, having lent great sums upon the stock and other public securities, were obliged to shut up their shops. The Sword-blade company also, who had been hitherto the chief cash keepers of the South Sea company, being almost drawn of their ready money, were forced to stop payment. All this occasioned a great run upon the Bank. On the 30th South Sea stock fell to 150, and then to 86.

"It is very surprising," says Maitland, "that this wicked scheme of French extraction, should have met with encouragement here, seeing that the Mississippi scheme had just before nearly ruined the nation. It is still more surprising, that the people of divers other countries, notwithstanding the direful effects of this destructive scheme before their eyes, yet as it were, tainted with our frenzy, began to court their destruction, by setting on foot the like projects: which gives room to suspect," says Maitland, "that those destructive and fatal transactions were rather the result of an epidemical distemper, than that of choice; seeing that the wisest and best men were the greatest sufferers; many of the nobility, and persons of the greatest distinction, were undone, and obliged to walk on foot; while others, who the year before could hardly purchase a dinner, were exalted in their coaches and fine equipages, and possessed of enormous estates. Such a scene of misery appeared among traders, that it was almost unfashionable not to be a bankrupt: and the dire catastrophe was attended with such a number of self-murders, as no age can parallel."

Hooke, the historian of Rome, was a severe sufferer by the South Sea bubble. He thus addresses Lord Oxford, in a letter dated the 27th of October, 1722: "I cannot be said at present to be in any form of life, but rather to live *extempore*. The late epidemical (South Sea) distemper seized me: I endeavoured to be rich, imagined for a while that I was, and am in some measure happy to find myself at this instant but just worth nothing. If your lordship, or any of your numerous friends, have need of a servant, with the bare qualification of being able to read and write, and to be honest, I shall gladly undertake any employment your lordship shall not think me unworthy of."

In 1720, soon after the bursting of the South Sea bubble, a gentleman called late in the evening at the banking-house of Messrs. Hankey & Co. He was in a coach, but refused to get out, and desired that one of the partners of the house would come to him. Having ascertained that it was really one of the principals, and not a clerk, who appeared, he put into his hands a parcel, very carefully sealed up, and desired that it might be laid on one side till he should call again, which would be in the course of a few days. A few days passed away—a few weeks, a few months, but the stranger never returned. At the end of the second or third year, the partners agreed to open this mysterious parcel, in the presence of each other. They found it to contain £30,000, with a letter, stating that it was obtained by the South Sea speculation, and directing that it should be vested in the