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Limiting the Witch-Hunt: Recovering from the South Sea Bubble

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The South Sea Bubble of 1720 is a famous example of a financial crash. When the Bubble burst, there was public outcry and it was widely believed that the country's economy had been severely damaged. There was a hunt for the culprits and many of those deemed to be guilty of causing the crisis were publicly disgraced. A variety of practical measures were undertaken to reorganise the company's affairs and to assist the economy's recovery. Robert Walpole's handling of the situation enabled him to embark upon a remarkably successful political career. However, he was criticised by some contemporaries as the 'Screenmaster-General' as it was thought that he shielded various public figures who would otherwise be implicated in the crash. Whilst these facts are well-known, this paper concentrates on the political furore which immediately followed the crash. Politicians were baying for blood, but ultimately Walpole had to protect the financial sector from its vengeful critics as much as from the effects of the crash. The classic histories of the bubbles by Dickson, Carswell and Scott describe the steps taken to ensure economic stability. This paper focuses upon the road which was not taken, namely over-regulation of the financial sector. Some were also demanding a redistribution of wealth from financiers to the landed class. Many politicians held opinions which were hostile to the financial sector, but they seemed to have little notion of how it functioned. However, politicians were very aware of the importance of what they called public credit, or the state of the nation's finances. Demands were made for stringent regulation of the stock market. As Walpole successfully blocked these demands, they have received little attention. Rather, the secondary history of the Bubble has focused on the instances when political demands were acceded to, such as the requirement that the company directors stand trial. It is argued that the witch hunt which started at the time of the crash is typical of many such episodes. Feelings were running high, but many of those involved in the political process had little information about what had actually happened. There was the risk that steps would be taken which would ultimately damage the financial sector, and hence the wider economy. Walpole's careful management of the witch hunt avoided these problems. He allowed the political elite to have their say, but ultimately stopped them when it seemed that their remedies would be worse than the disease.

THE PRACTICAL RESPONSES TO THE BUBBLE

Walpole was able to oversee a number of measures which were aimed at stabilising the financial system after the crash. The rescue package had largely been devised by his assistant, Jacombe (Plumb 1954). Walpole had little idea of the financial machinations involved. Indeed, he tried to buy into the South Sea when the bubble was at its height (Plumb 1954). Plumb (1954) and Realey (1931) showed that he was not the financial expert that many have believed him to be (e.g. Coxe (1798) and his followers.) The South Sea Company had been tasked to manage part of the National Debt, and persuade holders of government debt to accept its own shares. It had been allowed a monopoly trading contract in slaves for Spanish America (the *Asiento*) and it had also sold shares directly to the market (the money subscriptions). There was some evidence that the directors of the company had tried to artificially inflate the share price, by for instance, issuing loans to people they thought might buy shares (Dickson 1967). Also, they were secretly bribing many key figures in the government and the court (Dickson 1967). When the company share price was rising, the rest of the stock market seemed to follow suit. Therefore, when the crash came, the entire stock market was affected. The traditional histories, such the works by Carswell (1960) and Dickson (1967), assume that the crash caused widespread economic problems. Hoppit (2002) refuted this notion, arguing that there is little in the way of statistical evidence to back it up. It is true that there were complaints made of economic hardship, such as petitions made to Parliament (House of Commons 1720). However, the economy also seemed to recover quickly and the new Hanoverian regime survived.

The practical steps taken after the crash can be divided into three main areas. One issue concerned the redistributive effects of the crash. Where arrangements were judged to be inequitable, some attempts were made to alter contracts *ex post*. The second goal was to ensure the stability of the economic system. A variety of measures were enacted which helped to restore confidence in the system. Thirdly, there was political pressure to find the causes of the crash and to unearth evidence of wrongdoing. Where guilt could be proved, the culprits were punished. However, there is evidence that Walpole orchestrated a partial cover up, and that some evidence was suppressed (Carswell 2001).

After the crash, there were calls to alter contracts made before the crash. For example, the company itself had made different bargains with different groups of investors. When the share price fell, the difference in terms became a cause of contention at public meetings of shareholders (Carswell 2001: 153). The company had undertaken debt conversions in stages and also sold shares for cash in four different 'money subscriptions' (Neal 1990: 98). The later contracts were undertaken when the bubble was inflating, and the company therefore was able to offer bargains which were on harsher terms than the earlier ones. These terms were altered ex post (Carswell 2001: 153). Therefore, the situation of the later subscribers was improved, although perhaps not as much as they would have wished.

Secondly, as the wider financial system was thought to be close to collapse, something had to be done. The Bank of England entered talks with the government and the South Sea Company in order to avoid a complete breakdown of the financial sector. A series of measures known as the 'Bank Contract' was mooted in September 1720. The Bank was to raise a sum of £3 million by instalments. The first instalment of £450,000 was to be lent to the South Sea Company. The South Sea Company was to transfer some of its shares to the Bank (Carswell 2001: 151). However, the initial negotiations were not concluded. It took a further two years before a final agreement was reached (Neal 1990:117). In the end, the Bank took nearly four million pounds of the National Debt from the South Sea Company, and therefore increased its capital by a similar amount (Carswell 2001). In addition, the South Sea Company owed a fee to the government as part of the debt conversion arrangement. Walpole arranged for the fee to be waived (Scott 1912: 347). The South Sea Company was also required to send a large quantity of silver to the Mint. Craig (1953: 213) called this sum, 'the company's ransom'. The South Sea Company also gained a new governor in 1721 (Carswell 1960). These measures were aimed at avoiding a systemic crisis, as the

South Sea Company was too large to fail. It had helped to restructure a large part of the National Debt. In addition, it was necessary to maintain the public's confidence in the financial system to avoid runs on banks, hoarding and the restriction of the credit network.

Thirdly, the search for the cause of the crash entailed a search for culprits. With this in mind, politicians demanded paper records to be made available to both Houses of Parliament (House of Commons 1720 and House of Lords 1720). The records were collected in order to consider the actual state of the South Sea Company's finances; its debts and sums owing; the uses to which money had been put, and further details about the people involved. The first phase was an attempt to gather in a much material as possible. Subsequently, the focus narrowed. One committee, known as the Committee of Secrecy (1721), considered the inner workings of the South Sea Company. Another was charged to catalogue the directors' assets to allow confiscations to be made (Trustees 1728). The Committee for Secrecy (1721) and others found evidence of insider trading, keeping false accounts and bribery. Aislabie (former Chancellor of the Exchequer) was charged with corruption, and one of the company directors, the elder Craggs, committed suicide (Hatton 1978). Some of those involved were sent to the Tower of London. A portion of the directors' assets, including their recent land purchases, were confiscated depending on their level of involvement (Carswell 1960: 245-268). Mackay (1841: 71) claimed that this punishment was meted out 'more for their insolence than for their peculation'. They still lost substantial amounts of property and also were publicly humiliated.

Walpole decided to suppress wider investigations into bribery and corruption, in order to protect the Hanoverian regime. Partly, this was in his own political interest as he was shielding people close to the monarchy. However, he was also protecting the Hanoverian succession. George I was only king by dint of being distantly related to the Stuart line and the next Protestant in the succession. The Catholic male Stuart line was still much in evidence. Indeed Jacobite uprisings had occurred in 1715 and 1719 in support of James Stuart. Many people, including high church Anglicans, only accepted the Hanoverians as de facto rulers and might support the restoration of the Stuarts (Hatton 1978). A restoration would return the country to Roman Catholicism and would undermine the Protestant cause. Unfortunately, various friends of George I had taken bribes from the South Sea Company. The king's mistresses were amongst the bribe-takers (Carswell 2001). If these facts had become known, then the Hanoverian regime might have been fatally damaged. Many suspected that Walpole was trying to shield a number of important figures. Lord Molesworth stated that the directors were not solely to blame but were scapegoats for those above them (House of Commons 1720). Molesworth was correct, as Walpole managed to dispose of at least one key witness. Robert Knight, the company cashier, was assisted in his flight from the country with some of the key books of accounts (Carswell 2001). Walpole and King George had no wish to see him back again. Knight eventually ended up in the hands of the Austrians, and he could have been formerly extradited. However, secret diplomatic arrangements were made and the Austrians were persuaded to allow Knight to 'escape' (Carswell 2001: 212-218). He could not then be forced to tell all he knew to Parliament. Eventually, the inquiry had to be concluded when it became clear that no new evidence was forthcoming (House of Commons 1720).

THE WITCH HUNT

The histories of Carswell (1960), Dickson (1967), Scott (1912) and others covered the practical approaches to the crisis in great detail. However, the possible measures which were not taken are perhaps as interesting as those which were. Walpole had to contend with the demands for new legislation made by contemporary politicians. He had to manage to retain control whilst accommodating political debate. What is interesting is how many of these demands made by his contemporaries were pointless, unworkable or else likely to be harmful to the economy. Historians have charted the economy's course after the crisis by listing the practical measures undertaken. However, it may also be important to know when to leave well alone. A number of measures were mooted which did not become government policy, and they have received little attention in the secondary literature of the bubble.

Walpole had to act swiftly before he or anyone else had a firm grasp of the facts of the crash. He also had to construct a political performance which gave politicians (and the public) sufficient opportunities to rage and storm, but which limited their ability to interfere in the workings of the financial system. For his pains, Walpole was dubbed the Screen-master General. The efforts taken to manage the political storm may seem to be cynical or, at best, a distraction from the more important tasks of creating the financial rescue package. However, it is argued that a political elite of landowners with little understanding of the financial system could easily have voted for measures which would do more harm than good. The records of political debates in both the House of Commons and House of Lords show how much time was spent discussing such measures and how much prejudice there was against the financial sector.

Even if financiers and merchants were important to the economy and to the political system, Georgian society rested upon the idea that landownership conferred a unique status. Writers from the landed elite, such as Shaftesbury, argued that landownership and political power were inexorably linked (Klein 1994). Indeed, Shaftesbury considered it to be the proper order of society that it was headed by educated landed gentlemen who acted paternalistically for the good of those beneath them (Shaftesbury 1999). Only a few writers, such as Mandeville, attached importance to self-interest in economic affairs (Horne 1978). Adam Smith's (1776) conception of an invisible hand of the market was yet to come. Much of the contemporary discussion of the stock market is hostile to it. However, many of the criticisms levelled at the stock market by contemporaries focused on the market's perceived ability to create a nouveau riche. Daniel Defoe complained that the market could 'make gentlemen of rakes'. However, he was in the pay of the landed elite (Furbank and Owens 2001). Another well-known critic, Archibald Hutcheson, was a member of the landed elite and Member of Parliament for Hastings (Paul 2009). Hutcheson's (1718) view was that the economy should serve the landed elite. It was not merely that landowners wished to guard its own privileges, but they also believed in protecting the natural order of things as ordained by God. To interfere was to invite disaster, as the results would be unnatural and against God's will. The metaphor of the body politic was still critical to people's understanding of society (Harris 1998). If society was like a human body, then each sector had its ordained role and this role could not be altered. Hutcheson argued that landowners should retain political and moral leadership of the country as it was in the best interests of society as a whole (Hutcheson 1718).

Instead of the market being an impersonal environment which facilitated trade, it was seen as being analogous to a gambling den. The elite did use gambling as a social and leisure activity in horse racing and card games. However, the stock market was vilified as a way for those outside the elite to trick or cheat their betters (Paul 2010). Contemporary interpretations of the South Sea Bubble were related to subjective notions regarding which social groups should benefit most from economic progress. For example, Hutcheson (1721) wanted sales of shares to be reviewed ex post so that winners would compensate losers. He explicitly argued that the winners were 'gamesters' and tricksters. He implicitly assumed that they were not members of the landed elite. He also wrote that the crash had led to the downfall of many long-established landed families and that this was a disaster for the country. Whilst he provided no evidence for this claim, there were examples of society figures who had lost money in the crash. For example, Lady Mary Wortley Montague was one such person (Carswell 2001). The Duke of Portland lost a fortune and was ruined (Shea). Other lesser known figures, such as Lady Betty Hastings and her sisters, also lost significant sums (Laurence 2006). However, it is not the case that the landed elite lost its power due to the crash. There was clearly no change of regime due to the crisis and Hutcheson's fears that society would be turned upside down were overstated. If Hutcheson's writings are taken out of context, then he appears to have predicted the bubble. Richard Dale (2004: viii) even called him a 'savant' and 'unsung hero'. However, on closer inspection, Hutcheson (1720) was not able to predict the bubble until it was well underway. His writings were aimed at maintaining the landed (male) elite at the expense of other groups and promoting his own schemes for the National Debt (Paul 2010).

Whilst clearly some people must lose when the bubble bursts, this does not mean that they should necessarily be compensated as Hutcheson suggested. Indeed, Walpole took the important step of announcing that the agreements to buy or sell shares made during the Bubble should not be rescinded (Dickson 1967: 134). This action clarified a grey area in law. George I had also seen fit to pardon all of his subjects involved in episode, just in case they had unknowingly broken the law (House of Commons 1720). There were precedents for allowing courts to change legal bargains (Paul 2010). Most notably, there was the opportunity for landowners and their heirs to ask the courts to alter loan agreements which used land as security. The idea of equity of redemption explicitly assumed that no landed gentleman or heir to an estate would willingly lose his estate. Therefore, creditors could find that the debts owed to them were forgiven by the courts on the grounds that the creditors had tricked the debtor into forfeiting his birthright (Baker 1990). Elsewhere, bargains made between the South Sea Company and its subscribers had been reviewed and altered. Therefore, it was entirely possible that other stock market bargains might be altered or declared void after the crash. It was necessary to clarify the situation with regard to these bargains. Otherwise, the resulting confusion would encourage many people to renege on their obligations or else take the matter to the courts. The costs involved would be enormous and the result would be decreased confidence in the financial system. However, Walpole could have taken Hutcheson's view that the landed elite should be protected at the expense of the merchant and financier class. The effects would have been similar to the Stop of the Exchequer, when many goldsmith bankers were ruined.

The Stop of the Exchequer in 1672 had allowed Charles II to renege on his own debts, but was clearly only a short-term measure (Roseveare 1991). The Stop had demonstrated, even to the opponents of the financier class, how the financial sector and the wider economy were interlinked. The financial sector had become crucial to the country's ability to pay for its wars. The close relationship between finance and warmongering led Brewer (1994) to characterise many early modern European nations as fiscal-military states. Contemporaries were also aware of the relationship between finance and military capability, and they could not afford to allow the government's ability to raise funds to be compromised. The debates in both the House of Commons (1720) and the House of Lords (1720) show that the first concern of politicians after the South Sea crash was the health of 'publick Credit'. The King's speech to the House of Lords on 8th December, 1720 included a passage where he asked politicians to find 'the most effectual and speedy Methods to restore the National Credit, and fix it upon a lasting Foundation'. Only then could the state afford to pay for its wars. Payments for naval supplies were often in arrears and the costs involved in warfare were huge (Roseveare 1991; Brewer 1994). It may seem obvious that the government would not be able to continue to fight wars without maintaining a sizeable National Debt. However, Hutcheson wanted the state to pay off all its debts on an annual basis (Hutcheson 1718). This was a clearly unattainable goal.

Hutcheson was not the only politician to express naive opinions about the National Debt or to claim that he had foreseen the crash. The rather oddly-named Lord North and Grey claimed that he had 'foretold eight Months before' that the South Sea scheme would be a disaster (House of Lords 1720). On closer inspection of the records, he did not present a single coherent argument regarding the scheme. Instead, he had adopted the approach of using several standard, but contradictory, arguments against investing in government debt. He claimed that a few people would be enriched at the expense of a larger number. The scheme would encourage stock-jobbing and divert people's attention from their trades. Foreigners would be able to buy into the National Debt and then realise their gains. They would then drain the country of bullion. The British themselves would be lured into the markets and lose their money (House of Lords 1720). Bullionist arguments about hoarding of specie ignore the importance of credit in the economy. Lord North and Grey's statements echo Archibald Hutcheson's views that British investors were bound to suffer at the hands of foreigners, although neither gives an explanation of why this should be. Whilst Hutcheson worried about the landed class losing their estates, Lord North and Grey was concerned that those outside the landed class would be diverted from their proper trades. Both men seem to be suspicious of the practice of lending money to the government.

The whole of the House of Commons (1720) debated the nature of 'publick Credit' repeatedly. The phrase appears frequently in the records for 1720 onwards, including numerous resolutions that the whole House should convene to discuss public credit. The repetition of these debates, and the decision to create a committee 'of the whole House' to consider public credit imply that the issue of the National Debt, whilst pressing, was difficult for politicians to understand. A committee comprised of the whole House was likely to be unwieldy, and could have been replaced by a sub-committee comprised of people with some financial expertise. For other issues, such as the investigation into the South Sea Company's affairs, a much smaller committee had been convened. One of its members was Archibald Hutcheson, who was chosen partly because he was deemed to be familiar with the financial sector. (He had published many pamphlets about it.) Hutcheson's views have already been discussed, and they are far from tolerant of financial innovation and the financier class. If he was comparatively well-informed, then it could be assumed that the majority of his fellow politicians were confused by the issues at stake. Many of the listed meetings to discuss public credit as a whole have no stated outcome (House of Commons 1720) and the debate was then allowed to continue for another day. These facts imply that the committee of the whole House was not instrumental in creating a practical rescue plan. Allowing such a large committee to debate an expansive topic like public credit gave the appearance of progress and open debate, whilst the real decisions were taken elsewhere.

Whilst the House of Commons was embroiled in debates, Walpole and the major financial players were able to discuss a financial rescue plan behind the scenes. However, Walpole was also part of the discussions in the House of Commons. He argued that practical solutions should be found first (House of Commons 1720). However, his opponents wished to discover the cause of the problem first before taking any steps. They were very keen to start on the hunt for culprits. Famously, Lord Molesworth wanted the South Sea directors to be given the same punishment as parricides under the laws of Ancient Rome: sewn up in a sack and thrown alive into the Tiber (House of Commons 1720). Walpole had to counter demands that the cause of the crash had to be uncovered before anything practical could be attempted. Any delay might cause further damage to the financial sector, and it was possible that the House of Commons might never uncover the cause of the crash in any case. This was a reasonable prediction, given the lack of knowledge of finance displayed by members of both Houses. The whole House was supposed to 'establish publick Credit by preventing Stock-Jobbing' (House of Commons 1720). This phrase crops up again and again as the issue was debated, but then a new date was found to debate it all over again. At one point a bill was proposed to outlaw stock-jobbing. However, stock-jobbing was not clearly defined in the bill or the political debates. The term might mean anything from share trading, to trading in complicated financial derivatives to insider trading (Paul 2010). The proposed bill did not become law and its details were not recorded in either the House of Commons records or the Justis index of legislation and bills.

Another bill against stock-jobbing appeared in 1733 (House of Commons 1733). The 1733 bill announced that stock-jobbing will divert people from their 'lawful Trades and Vocations' which would lead to the 'Utter Ruin of themselves and Families'. This is a similar argument to that used by Lord North and Grey at the time of the Bubble. The wording of the bill ignored any economic benefit from having a stock market to link lenders to borrowers and to allow people to diversify their portfolios. Investments which were not linked to one's own trade or business helped to reduce some of the risks faced by Georgian businessmen. Also, some investors were not involved in any trade. For example, members of the landed elite certainly were not. However, the wording of the bill gives a strong sense that people had been assigned their place in society and the stock-market was a threat to the settled order. The 1733 bill required the banning of practically all stock-market activity including option contracts and trading on behalf of others. The document uses the word 'Wager' to mean share contract. The author of the bill (Sir John Barnard) exempted financial instruments connected to the National Debt. Allowing a loophole in legislation to facilitate government borrowing was not unknown. Laws on usury fixed the interest on private loans (5 per cent in 1714) but exempted government borrowing from these strictures (Banner 2002: 22). Although some politicians at the time of the Bubble criticised any investments made in the National Debt, by the time of the 1733 bill it was taken for granted that such investments were a special case as they were important for the state's ability to raise funds.

The 1733 bill was eventually to become legislation known as Barnard's Act (1734: 7 Geo. II. Cap VIII and 10 Geo. II. Cap VIII). Due to the differences between the Julian and Gregorian systems of dating years, the act is listed as the Stock-Jobbing Act (1733) in the index of the Acts of Parliament (Justis 2010). In essence, the law banned options and forward contracts, and Neal has questioned how successfully it could enforced in practice (Neal 1990:150-152). The wording of the Act also bans the buying and selling of stock which the investor (or broker) does not already own or possess the authority of the owner to trade on his or her behalf (7 Geo. 2; Justis 2010). This would include the practice now called short-selling which has been in the news during the recent Credit Crunch.[1] (In response to fears that short-selling can harm the financial sector, a recent act called the Financial Services Act 2010 (2010 c. 28; Justis 2010) restricted the practice.) The 1733/4 Act was not repealed until 1860 (23 and 24 Vict., Cap XXVIII; Justis 2010). The Repeal Act noted that Barnard's Act imposed 'unnecessary restrictions' on the sale of public securities. The connection between gaming and the practice termed 'stock-jobbing' was still being made in legislation by the time of the Bankruptcy Act of 1842 (1842 c. 122 s. XXXVIII; Justis 2010). The Act refused certificates of bankruptcy to those who had lost particular sums at either gaming or stock-jobbing.

The legal history presented here shows that stock-jobbing was long seen as an evil which harmed the economy, and which could be dealt with by legislation. In 1720, there was no shortage of people willing to link stock-jobbing to the South Sea crash and to wider problems in the economy. The town of Worcester sent a petition to Parliament claiming that stock-jobbing in London had led to the 'decay of the cloth trade' (House of Commons 1720). Such statements should be taken with a pinch of salt, as it was well-known that rich men, including the South Sea directors, were to have their estates confiscated. Complainants may have been hoping for rick pickings (Paul 2010). Some people may have genuinely believed that the nascent financial sector had the power to ruin cloth traders in Worcester or elsewhere. At the time of the crash, many were pessimistic about the country's economic prospects. In the record of the debates, the South Sea is referred to as 'the fatal South-Sea Scheme' (House of Commons 1720). Politicians were obviously devoting a lot of time to investigating the issues surrounding the crash and public credit, as the records for both Houses of Parliament attest. The public was also morbidly fascinated by the Bubble, as the large number of pamphlets, songs, plays, pictures and other objects such as playing cards relating to the crash show (Paul 2010). Therefore, with all these considerations, it is perhaps surprising that no legislation similar to Barnard's Act appeared immediately after the Bubble. Hayton (2004) argued that if it had not been for series of amendments to the original bill, then Barnard's Act would have stifled the development of the stock market.

[1] Short-selling of shares involves trading in shares which one does not already own. The trader believes that the price of a share will drop, so makes an arrangement to sell shares he or she has borrowed in order to buy back replacement shares at a lower price in the future.

It is argued here that the gap between the Bubble and the creation of Barnard's Act was surprising. A bill against stock-jobbing had been mooted; there were plenty of politicians willing to speak out against various types of financial activity, and feelings were running high. Even if Walpole was able to embark upon his rescue package first, there was clearly a will to investigate the financial sector by the Secret Committee and by the committee of the whole House of Commons. Yet, there is a gap of over a decade between a famous financial crash (blamed upon jobbing and corrupt practices) and legislation aimed at restricting those practices. The real effects and practical importance of the watered down version of Barnard's bill may have disappointed its author. However, it is likely that he (or someone like him) could easily have proposed more stringent legislation at the time of the Bubble. The landed elite may have been aware of the importance of public credit, but even those considered to be financial experts like Hutcheson, had very traditional ideas about the body politic. The financiers were vilified as being nouveau riche or foreign and accused of harming the country. It may not be remarkable that Walpole was able to shield particular individuals from an inquiry into bribe-taking. It is remarkable that he was able to give politicians sufficient opportunity to vent their spleen about finance, whilst also steering them away from the creation of restrictive legislation. Walpole was even able to restore some property to certain South Sea directors, who remained important to the financial sector (Carswell 2001). Whilst a small committee, such as the Committee of Secrecy, could make progress, the unwieldy and unfocused Committee of the Whole House was never going to achieve anything of practical importance.

CONCLUSION

The history of the South Sea Bubble shows that there was not a single linear path for policy-makers to follow. They had to act before the full extent of the problem was known or its causes understood. The debates about public credit provided a forum for those who opposed financial activity in any form. Rather than tackling these people head on, Walpole allowed them to exhaust themselves in a number of fruitless discussions. The whole House of Commons was co-opted to serve on a committee to discuss public credit. Convening so many people to discuss such a complicated topic virtually ensured that nothing practical would be decided upon by this method. Instead, financial issues could be discussed behind closed doors by representatives from the major companies. Their proposals could be then presented to the House. Many politicians were ill-informed about finance. Even supposed experts like Archibald Hutcheson felt that the National Debt enriched the wrong people. Politicians raged against stock-jobbing and were quite capable of proposing restrictive legislation to hamper the financial sector further. Walpole was damned by his critics for subverting the investigation into corruption within the new Hanoverian regime. However, his handling of the political situation also screened the financial sector from being bludgeoned by ill-conceived legislation.

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