



Limiting the witch hunt: recovering from the South Sea Bubble

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The South Sea Bubble of 1720

- Famous crash
- Traditional history: gambling mania
- Depth of crisis disputed
- Histories: list of actions taken
- Road not taken:
 - A new regulatory environment
 - Further punishment of financier class



Practical steps taken

- Redistributive justice
- Restore confidence in the system
- Find causes of the crash, where possible
- Punish culprits

- Screenmaster General: limit the investigation
- Return to normality



Contemporary views

- Hostility to financier class
- Belief that landed class was under threat
- Belief that public debt was unnecessary or should only short-term
- Linkage between finance and gambling
- Confusion over legal framework
- Bullionism – foreign investment



Protection for the financier class

Bill against stock-jobbing immediately after crash

- Barnard's Act: over a decade later
- Return of some property to directors
- Stock-jobbing in legislation: Bankruptcy Act 1842
- Repeal of Barnard's Act
- Financial Services Act 2010