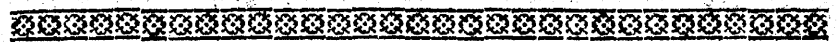
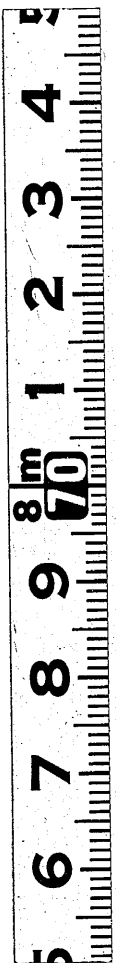
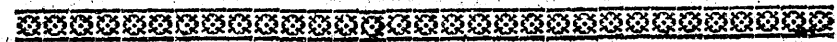


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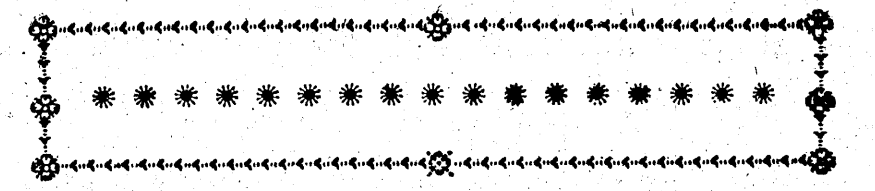
L E T T E R
TO THE
P R O P R I E T O R S
OF THE
BANK OF SCOTLAND,
AND
R O Y A L B A N K.



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A
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 TO THE
 P R O P R I E T O R S
 OF THE
 B A N K O F S C O T L A N D,
 A N D
 R O Y A L B A N K.

E D I N B U R G H:
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 [PRICE SIX PENCE.]



TO THE
P R O P R I E T O R S
O F T H E
B A N K O F S C O T L A N D,
A N D
R O Y A L B A N K,

GENTLEMEN,

AS you compose the two Societies,
through whose channel the greatest
part of the money-transactions of Scotland
must be negotiated, and, by whose aid,
the general credit of the nation has of-
tener than once been supported in times
of distress,—your conduct and situation
can, on no critical occasion, be beheld

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THE BANK OF SCOTLAND
AND THE ROYAL BANK
OF SCOTLAND

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with an indifferent eye by any individual, who has the smallest regard to the commercial interest of the country; and as the writer of this letter apprehends you are at present in danger of falling into a situation, which must immediately embarrass the necessary and useful operations of either one or other of your Societies, and may ultimately prove destructive to both, he hopes you will forgive his taking this method of submitting to your consideration the grounds of this apprehension. If they are well founded, it may be still in your power to prevent the possibility of its happening, but, if once you get in to the situation he dreads, you are fast approaching to, you may perhaps not find it an easy matter to extricate yourselves.

THE Bank of Scotland was constituted by Act of Parliament in July 1695, and although the business of it has been
conducted

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conducted upon different plans, at different periods, as probably best suited the circumstances and situation of the country, and perhaps too, the private views of those who had the management of it for the time; yet, excepting for a short time, soon after its establishment, when the consequences of the unfortunate settlement at Darien brought this country into great distress, it has all along maintained its credit upon a solid and respectable footing, and, I believe, never was in a more thriving situation, nor as essentially useful to the country, as at present, owing chiefly to a change in the system of its management, which was effectuated a few years ago, by the activity and attention of some of the proprietors.

THE union of the two kingdoms having contributed to increase Trade and Manufactures in Scotland, of course,
extended

extended our money-transactions beyond what the powers of so limited a capital, as that of the Bank of Scotland, could with propriety negotiate.

THIS circumstance, in all probability, gave birth to the Royal Bank, which was constituted by a Charter from the Crown in May 1727. An establishment, that, I am informed, was much opposed by the then Proprietors of the Bank of Scotland, from a very natural dread, no doubt, of its being a formidable rival to them in their line of business.

FOR some years after the commencement of the Royal Bank, no good understanding subsisted between the two Societies; but, for many years past, they have conducted their business upon an easy and friendly footing: Each taking such a proportion of the business of the Country, as their respective friends could procure them,

them, and the prudence of their Directors dictated to them to accept of.

THE interest of the two Societies, running so perfectly in the same channel, the Proprietors have always been careful to avoid throwing the management of their business into the hands of the same persons; for this obvious reason, that it was totally impossible any one set of men could equally promote the interest of both.

IT is well known, that the Bank of Scotland is at present under the management of one particular set of people, I believe, I may venture to say, of one house of business in this Town; and, I am convinced, from every circumstance of their conduct hitherto, that it cannot be in better hands, either for the interest of the Proprietors, or the benefit of the Country: But how far it would be for the interest of the Proprietors of either of the two Societies,

Societies, that the management of the Royal Bank should fall into the same hands, is a very different question, and merits very serious consideration.

If the management of the Royal Bank falls into the same hands, the same attention paid to it, which at present is paid to the Bank of Scotland, and the business of it conducted upon the same plan, is it not obvious, that the Proprietors of the Bank of Scotland must be great sufferers; because their business will be considerably diminished, their profits lessened, and, of course, the value of their stock must fall greatly below its present price.

BUT suppose, on the other hand, that it is not the plan of these aspiring geniuses, to pay the same attention to the management of the Royal Bank, and that their view of getting hold of it, is to sacrifice the interest of the Proprietors there to that
of

of the Bank of Scotland, which it is possible may be the case; ought not the Proprietors of the Royal Bank then to do every thing in their power to prevent such an event happening. Surely, if they allow themselves to think but for a moment, they must see how much their interest will be hurt, should it take place.

THE country is deeply interested in this question, at least, every man in it who has occasion to negotiate any money-transactions; and this will apply to most people upon a larger or smaller scale.

THIS proposition I must illustrate, by considering Bank Notes as a commodity brought to market, to be purchased with credit, that is to say, upon proper security by bonds or bills. It is an old proverb but not the less true, That it is much better to have two shops to go to, for any thing, than one. The two Banks at present
sent

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sent may be considered as two separate shops for vending money upon credit; but if they fall into the management of the same set of people, they become instantly one shop.

MANY are the disadvantages that would attend such an event. All monopolies are prejudicial to Society, and most of them in the end prove fatal to the Projectors. A monopoly of the money of a country, or more properly speaking, an absolute despotic power over credit, which ought to command money when it is wanted, attempted to be grasp'd at by any one set of men, is a most dangerous and alarming thing to every individual in a commercial country; more especially, when the agriculture and manufactures of that country are but beginning to flourish, and to reward the farmer for his labour, and the manufacturer for his industry.

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As it is evidently so much the interest of both your Societies to prevent the possibility of the management of your business from falling into the hands of the same set of men, you ought to take the first opportunity of a General Court that occurs, and make a by-law: "That no person, who is a Proprietor of Stock in both Banks, can be chosen a Director in either." By such a resolution, you at once put it out of the power of the same individuals to have the active management of both Societies. A very desirable object for the Country, and essentially necessary to promote and maintain, the real, solid, and permanent interest of both Banks.

THE Stock of both Banks hath of late rose vastly above its real value, by the stratagems of artful and designing men, perhaps with different views. If the old Proprietors should take the alarm, and
sell

fell out, a sudden downfall must be the consequence ; and then the credit of this Country must depend solely upon these projecting adventurers, who, it is to be presumed, will not chuse to fell out with loss. This is an additional circumstance that should induce you to be very cautious, who you entrust the management of your affairs to. Place not your confidence in Stockjobbers ; beware of Politicians, if such men are among you ; suffer none of them to have the management of your affairs.

It is said to be a part of the plan of the late purchasers of Royal Bank Stock, to turn out the present Directors, and chuse a set of new ones ; but I would advise those Proprietors, who regard their own interest, to take care how they agree to such a measure. The present Directors, by their cautious and prudent conduct, have very considerably increased the real value

value of the Stock within these few years, and perhaps it may not be an easy matter to find a set of new ones, who will do it equal justice. All sudden changes, either of men or measures, in the conduct of business of any kind, is dangerous ; and in the present case, where there is neither reason nor necessity for it, would be extremely rash and inconsiderate.

I am,

Gentlemen,

Your most obedient,

Humble servant,

Edinburgh, 17th }
 February 1778. }

AN OLD PROPRIETOR.

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