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ACT 2

PARLIAMENT,

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Erecting a Bank in SCOTLAND.

EDINBURGH, July 17. 1695.

OUR SOVEREIGN LORD considering, how useful a publick Bank may be in this Kingdom, according to the Custom of other Kingdoms and States; and that the same can only be best set up and managed, by Persons in Company, with a joint Stock, sufficiently endued with these Powers and Authorities, and Liberties, necessary and usual in such Cases; *Has therefore allowed,* and with Advice and Consent of the Estates of Parliament, *Allows* a joint Stock, amounting to the Sum of *Twelve hundred thousand Pounds Money,* to be raised by the Company hereby established, for the carrying on and managing of a publick Bank. *And further Statutes and Ordains,* with Advice foresaid, That the Persons under-named, *viz.* Mr. *William Areskine,* Son to the Lord *Cardross,* Sir *John Swinton* of that Ilk, Sir *Robert Dickson* of *Sornebeg,* Mr. *George Clark Junior,* and Mr. *John Watson* Merchants in *Edinbrgh,* Mr. *James Fowlis,*
Mr.

Mr. *John Holland*, Mr. *David Nairn*, Mr. *Walter Stewart*, Mr. *Hugh Frazer*, Mr. *Thomas Coutts*, and Mr. *Thomas Deans*, Merchants in *London*, or any Three of them : And in case of the Decease of any of them, the Persons to be chosen by the Survivers, shall have Power to appoint a Book, for Subscriptions of Persons, either Natives or Foreigners, who shall be willing to subscribe and pay in to the said joint Stock ; which Subscriptions, the foresaid Persons, or their *Quorum*, are hereby authorized to receive in the foresaid Book, which shall be open every *Tuesday* or *Friday*, from Nine to Twelve in the Forenoon, and from Three to Six in the Afternoon, betwixt the first Day of *November* next, and the first Day of *January* next following, in the publick Hall or Chamber to be appointed in the City of *Edinburgh* ; and therein all Persons shall have Liberty to subscribe, for such Sums of Money, as they shall think fit to adventure in the said joint Stock, one thousand Pounds *Scots* being the lowest Sum, and twenty thousand Pounds *Scots* the highest ; and the two third Parts of the said Stocks, belonging always to Persons residing in *Scotland*. *Likens*, each and every Person, at the Time of his subscribing, shall pay into the Hands of the forenamed Persons, or any Three of them, Ten of the Hundred, of the Sums set down in their respective Subscriptions, towards the carrying on the Bank. And all and every the Persons subscribing, and paying to the said Stock, as aforesaid, shall be, and are hereby declared, to be one Body corporate and politick, by the Name of *The Governor and Company of the Bank of Scotland* ; under which Name, they shall have perpetual Succession, and shall have a common Seal : And their Successors, by the Name foresaid, shall be able and capable to purchase and enjoy ; as also to give, grant, alienate, and dispose of Lands, Tenements, and all other Heritage ; as likewise of all Sums of Money, and other moveable Goods and Gear whatsoever : And further, to do and execute all other Things, which any other Company or Body corporate, can or may lawfully do or execute ; and that as amply and fully, as if the several Matters and Things, were particularly set

set down in this Act. *And* for the better ordering and managing of the Affairs of the said Bank, it is hereby further *Statute* and *Ordained*, That there shall be for ever a Governor, Deputy-Governor, and Twenty four Directors, to be elected and chosen, as hereafter is appointed, who, or any seven of them, (hereby declared to be their *Quorum*,) shall have the Management and Direction of the said Bank; which Persons, *viz.* Governor, Deputy-Governor, and Twenty four Directors, are to be chosen in this Manner, *viz.* That within the three Months after the foresaid Subscriptions are ended, the Persons particularly above-named, or any two of them, shall appoint a certain Day, and make due intimation of the same, that such and so many of the Adventurers, and none other, as shall each of them have subscribed for one thousand Pounds Money or upwards, in the said Book of the joint Stock, may elect and choose by Majority of Votes, which are to be given, one Vote for every thousand Pounds Share in the Stock, a fit Person of the Subscribers, who hath subscribed for himself, at least for eight thousand Pounds, to be Governor of the said Bank; and another fit Person of the Subscribers, who shall have subscribed for himself, at least for six thousand Pounds, to be Deputy Governour of the said Bank; and also twenty four others, fit Persons, who shall have subscribed each of them for himself, at least for three thousand Pounds in the said joint Stock, to be Directors of the said Bank; which Governor, Deputy-Governor and Directors, are to continue in their respective Offices, until the next Election of their Successors; which next Election shall be made within thirty Days, after the Expiration of a whole Year from the former Election, by the Majority of the Votes of the Members, who are to be qualified, and their Votes reckoned in Manner above-mentioned: And so forth the said Governor, Deputy-Governor, and Directors, to be chosen from Year to Year. And if any of them happen to decease before the Expiration of his Time, then the Members and the Company, qualified as aforesaid, shall elect in Manner above-mentioned, another fit Person, in the Room, and to the Office of the

Deceased, who is to officiate for the Remainder of his Time. And further, the Governor or his Deputy, and any Three of the Directors, or any Five of the Directors, without the Governor or his Deputy, may, as often as they see Cause, summon a Meeting of the Adventurers, qualified as said is; at which Meeting, by Majority of Votes to be given, as said is, the Governor or his Deputy, or any of the Directors for the Time, not exceeding Two Directors at one Meeting, may be displaced and removed, for any Miscarriage or Insufficiency in his Office. To which Sentence, the Person removed is absolutely to acquiesce, without Gainfaying, and another to be chosen in his Room and Place, as aforesaid, to continue till the next general Election; and the Governor, Deputy-Governor, Directors, or any seven of them, their *Quorum* aforesaid, may meet together at any convenient Place, for the Management of the Affairs of the said Bank; and the said Adventurers, at any General Meeting that shall happen to be appointed, shall have Power to require the Payment of any further Part of the Subscriptions, than the Ten *per cent.* above-mentioned, at such Time as they shall think fit. And in case any of the Adventurers shall refuse, or neglect to pay, in their Proportion appointed by the said General Meeting, then he shall forfeit, to the Use and Behoof of the said joint Stock, whatever he had before paid in to the said Company; and no Governor, Deputy-Governor, or Director, shall be capable of, or continue in their said respective Offices, unless they have the respective Sums above-mentioned in their own Right, and so long as they have the same, and no longer; but upon the Diminution of the said Sums, their Offices are to determine, and others to be chosen at a General Meeting, as aforesaid, in their Places: And the said Governor, Deputy-Governor, and Directors, are to swear at their Entry to their respective Offices, the Oath following. *I A. B. Do swear, that the Sum of* _____ *of the* _____ *Stock of the Governor, and Company of the Bank of Scotland, doth at this Time, belong to me in my own Right, and not in Trust: And that in the Office of* _____ *I*

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will be equal to all Persons, and give my best Advice, for the Support of the Bank of Scotland; and in the said Office, honestly demean myself to the best of my Skill. And this Oath, the first Governor shall take before the Lord Chancellor, or any other of the Officers of State, and then shall have Power to administrate the same to his Deputy and Directors. And the next Governor and Directors shall swear the same at their Entry, as said is, before a General Meeting of the Company, certifying any who shall neglect to swear at his Entry, or within Twenty Days thereafter, his Place shall be void, and another shall be elected to it: And the Governor, or Deputy-Governor, with the Directors or their *Quorum*, may choose a Treasurer, Secretary, and other Officers, for the Affairs of the said Company, who are to give their Oaths *de fideli* before the Governor, or his Deputy, or any Two of the Directors; and may be removed from the said Offices, at the Pleasure of a General Meeting: *Providing always*, That neither the Governor, Deputy-Governor, or any of the Directors, may be chosen to any of the saids inferior Offices. *And* it is further hereby *Statute and Ordained*, That it shall be lawful for the said Governor and Company, to lend upon real or personal Security, any Sum or Sums, and to receive Annualrent for the same at Six *per cent.* as shall be ordinary for the Time: As also, That if the Person borrowing, as said is, shall not make Payment at the Term agreed upon with the Company, then it shall be lawful for the Governor and Company, to sell and dispose of the Security or Pledge, by a publick Roup, for the most that can be got, for Payment to them of the Principal, Annualrents and reasonable Charges, and returning the Overplus to the Person who gave the said Security or Pledge. *And* it is further hereby *Enacted*, That the foresaid Company, and Members thereof, or major Part of them, assembled at any General Meeting, may make and constitute such By-laws and Ordinances, as to them shall seem necessary and convenient, for the Good of the Company, and under such Penalties, as shall be therein contained; providing that the saids By-laws and
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Ordinances, be not contrary to, (but consistent with the Laws of the Kingdom.) And for ascertaining how the said joint Stock and Shares thereof, with all the Lands, Houfes, or other Estate thereto belonging, may be assigned or transferred: It is hereby *Statute* and *Ordained*, That there be constantly kept a Book or Register, by the said Governor and Directors, where all the foresaid Assignments shall be entred, and subscribed by both the Party assigning, and the Party to whom the Assignment is made, in Token of his Acceptance; and that such Assignments so subscribed, shall make full, compleat, and absolute Rights, and no other shall be good, excepting that any Person having Interest in the said Company, may dispose of the same by latter Will or Testament, which shall be a valid and compleat Transmission, in Favours of the Person to whom the Disposition is made, upon the entring and recording so much of the said latter Will, as relates to the said Stock in the Books of the said Company, without Necessity of Confirmation or further Formality whatsoever. And it is hereby further *Statute*, That no Dividend shall be made, save out of the Interest or Product arising out of the joint Stock, and by the Consent of the Adventurers in a General Meeting. And for the better Encouragement of the said Company and Adventurers; it is hereby *Statute*, That the joint Stock of the said Bank continuing in Money, shall be free from all publick Burden to be imposed upon Money, for the Space of Twenty one Years after the Date hereof: And that during this Space, it shall not be leifome to any other Persons to enter into, and set up a distinct Company of Bank within this Kingdom, besides these Persons allenary, in whose Favours this Act is granted. And sicklike, it is hereby *Declared*, That summar Execution by Horning, shall proceed upon Bills or Tickets, drawn upon, or granted by or to, and in Favours of this Bank, and the Managers and Administrators thereof for the Time, and Protefts thereon, in the same Manner, as is appointed to pass upon Protefts of foreign Bills, by the 20th *Act, Parl. 1681. K. Ch. II.* And sicklike, That no Suspension pass of any Charge, (for Sums lent by this
Bank

Bank or to the same,) but upon Discharge or Consignation of the Sums charged for allenary. *And further*, for preventing the breaking of the said joint Stock and Company, contrary to the Design thereof; It is hereby *Declared*, That the Sums of the foresaid Subscriptions and Shares, may only be conveyed and transmitted by the Owners to others, who shall become Partners of the Company in their Place, in Manner above-mentioned, or by Adjudication, or other legal Conveyance in favours of one Person allenary, who in like Manner shall succeed to be a Partner in his Predecessor's Place, so that the foresaid Sums of Subscriptions may neither be taken out of the Stock, nor parcelled amongst more Persons by legal Diligence in any Sort, to the diminishing or disturbing the Stock of the said Company, and good Order thereof. *And likewise*, for the greater Security, and more convenient managing of the said Bank or joint Stock, it is hereby *Statute and Ordained*, That in case it shall happen any of the Members, Partners or Subscribers, or other Proprietors of any Part of the said Stock, to be registrate at the Horn, or to commit any Crime punishable by Confiscation, or Forfeiture of his said Share and Proportion of the said joint Stock and Profit thereof due at the Time; then and in that Case it shall be lawful for the Governor, Deputy-Governor, and Directors, or their *Quorum* foresaid, to expose, by publick Roup, such Shares and Profit thereof to any other Person who shall bid the highest Price therefore, after such legal Intimations to be made for that Effect by the said Governor, Deputy-Governor, Directors or their *Quorum*, as is prescribed by the Act of Parliament for the Sale of Bankrupts Lands; and the Price arising by the said Roup, to be made forthcoming by the said Company to the Creditors, Heirs, or others succeeding in the Right of the Party so denounced or forfeit. *Providing always*, as it is hereby expressly *Enacted, Provided and Declared*, That it shall not be lawful nor allowable for the said Company, Governor, Deputy-Governor, Directors, or Managers thereof, upon any Ground or Pretence whatsoever, directly nor indirectly, to use, exerce, or follow any other

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Commerce, Traffick, or Trade with the joint Stock to be employed in the said Bank, or any Part thereof, or Profits arising therefrae, excepting the Trade of lending and borrowing Money upon Interest, and negotiating Bills of Exchange allenary and no other. *Providing also*, Likeas it is hereby expressly *Provided, Enacted and Declared*, That in case the Governor, Deputy-Governor, Directors, or other Managers of the said Company, shall at any Time happen to purchase for the Use and Behoof of the said Company any Lands, Rents, or other Heritage belonging to His Majesty, His Heirs and Successors, or shall advance or lend to His Majesty, His Heirs or Successors, any Sums of Money in borrowing, or by Way of Anticipation upon any Part, Branch or Fund of the ordinary Rent or Casualties of the Crown, or of any Supply, Cels, Excise, Custom, Pole-Tax, or any other Supply or Taxation already granted, or which shall happen to be granted at any Time hereafter to His Majesty and his forefairs, any Manner of Way whatsoever, excepting these Parts, Branches, or Funds of the saids Rents, Casualties, or Impositions forefairs, upon which a Credit of Loan shall happen to be granted by Act of Parliament allenary; then and in that Case, the said Governor, Deputy-Governor, Directors, or other Managers, one or more of the said Company who shall consent, agree to, or approve of the said Purchase, Advance or Lending to His Majesty and His forefairs, and ilk one of them so agreeing and approving, and being found guilty thereof according to Law, shall be liable for every such Fault, in the Triple of the Value of the Purchase so made, or the Sums so lent, whereof a fifth Part shall belong to the Informer, and the Remainder to be disposed of towards such publick Uses, as shall be appointed by Parliament and not otherwise. *And it is likewise hereby Provided*, That all Foreigners who shall join as Partners of this Bank, shall thereby be and become naturalized *Scots-men*, to all Intents and Purposes whatsoever.

Extracted forth of the Records of Parliament, by
TARBAT Cl. Registri.