

THE
ORIGIN AND PRINCIPLES

OF THE

Agricultural and Commercial

BANK OF IRELAND.

DUBLIN:

PRINTED BY ROBERT CARRICK, 29, BACHELOR'S-WALK.

1835.

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Houses of the Oireachtas

PROVIDENT DEPOSIT,

AND

LOAN FUND.

OF

THE AGRICULTURAL AND COMMERCIAL

BANK OF IRELAND.

The following Rules, Regulations, &c., were adopted for the guidance and government of the "Provident Deposit," and "Provident Loan" of the Agricultural and Commercial Bank of Ireland.

This Bank is established for the purpose of receiving and investing in Government Securities, and also lending out on good security, such sums as may be saved from the earnings of Tradesmen, Clerks, Mechanics, Labourers, Servants and others, and of affording to industrious persons the three-fold advantage of *Security* for their Deposits, until required by them for their future wants or advancement in life, *Interest* for the same during its deposit, and the advance of a *Temporary Loan*, when required, on satisfactory Security.

RULES AND REGULATIONS.

1st.—This Institution shall be managed at each Branch of the Agricultural and Commercial Bank of Ireland, by an Honorary Secretary, and a Committee of from Eight to Twelve Honorary Directors. The Secretary to be chosen Yearly from the Committee. Two of the Honorary Directors to attend and act by rotation each Deposit and Loan Day, without Payment.

2nd.—The Consulting Committee of the Agricultural and Commercial Bank of Ireland, for the time being, shall have the power to make any alteration, or to fill up by Ballot or otherwise, any vacancy that may occur in the number of such Directors, or other Officers of the Institution.

3rd.—The Manager of the Branch and his Clerk, together with One or more of the Directors shall attend at the Bank for such hours and on such days in every week as the Trustees or Managers shall determine, to receive deposits, and to pay such sums as the Depositors may desire to withdraw. All Payments to be entered in the Bank Book by the Manager in the presence of the Honorary Secretary, and one or more Members of the Committee. The Sum received to be written in words, at length, and to be initialled by one or more Members of the Committee, and Honorary Secretary, otherwise this Company will not hold itself accountable for such Payment or Deposit.

4th.—No person or persons being Directors, or having any controul in the management of this Institution, except the Shareholders of the Company, shall derive any benefit from any deposit made therein, save only such Salaries and allowances made to the Manager

and Clerk or Clerks, or any other expences which shall unavoidably be incurred in the management thereof, but the persons depositing shall have the sole benefit of such deposits and the produce thereof at the rate of interest hereinafter mentioned,

5th.—The Manager, Clerk, or Clerks, and every Officer or other person receiving any Salary or Allowance for their Services from the funds of this Institution, shall give good and sufficient Security for the just and faithful execution of such Offices or Trust by Bond or Bonds payable to the Consulting Committee.

6th.—No Honorary Director or Manager, shall be personally liable, except for his own acts, and deeds, nor for any thing done by him in virtue of his office, except in cases where he shall be guilty of wilful neglect or default.

7th.—INTEREST shall be allowed to Depositors at the rate of £3. 6s. 8d. per Centum per Annum, no sum less than *Fifteen Shillings* to bear Interest; the Interest to be calculated by calendar months, commencing on the *twenty-first day of each month*, no Interest will be allowed on any fractional part of Fifteen Shillings, nor for any fractional part of the month in which the deposit shall be made, nor of the month in which it shall be withdrawn.

8th.—THE Savings of Minors may be invested in this Institution, and the Principal together with the Interest which shall have accrued thereon, may be repaid to such Minors, whose receipts for the same shall be a sufficient discharge.

9th.—THE Trustee or Trustees of any Charitable or Provident Institution or Society, or of any charitable donation or bequest for the maintenance, education, or

benefit of the poor, may deposit any sum not exceeding *Three Hundred Pounds* per Annum, at the above rate of Interest in this Institution, and the sum to be deposited by such Charitable Institution, as aforesaid, shall not at any time exceed *Five Hundred Pounds* in the whole, exclusive of Interest.

10th—ANY Friendly Society, shall be allowed to deposit the whole or any part of their Funds through their Treasurer, Steward or other Officer, and receive Interest for the same.—The above-mentioned Societies shall not be at liberty to draw out the whole or any part of their Funds without giving Fourteen days notice in writing at the Bank under the hands, of their Treasurer and two Members of the Committee of Management of such Societies.

11th.—No Depositor in this Institution shall be subject or liable to any Penalty or Forfeiture on account of his belonging to, or being interested in the Funds of any Friendly Society or Charitable Society, deposited in any other Bank.

12th—EVERY person, at the time of making his or her first deposit, shall declare his or her name, profession, business, occupation, calling and residence, which shall be entered in the Books of the Institution.

13th—ANY Person or Persons acting as a Trustee or Trustees, on behalf of any depositor or depositors whether he or they be a depositor or depositors or not, may invest any sum not exceeding the amount hereinafter mentioned, such Trustee or Trustees making a declaration on behalf of such depositor, or depositors, and subject to the like conditions as are hereinafter required, in the case of any person or persons making a deposit on his or her own account.

14th—EVERY person shall, at the time of making his or her first deposit, and at such other time or times, as the Director or Managers shall require, sign a Declaration, either by themselves [or in the case of Infants under Seven years of age, by some person to be approved of by the Director or Manager,] in such form as shall be approved of by the Consulting Committee or other proper Officers, such Declaration to be filed and preserved by the Director and Manager.— Any Depositor or Trustee, or Trustee of a Depositor, making a false Declaration, shall forfeit the whole of such deposit, and a Printed Notice of the Regulation and Prohibition shall be posted up in the office of the Bank.

15th—DEPOSITS shall be received from individuals of any sum not less than *One Shilling* at any one time, and not more than *One Hundred Pounds* at any one time. No sum exceeding *Five Hundred Pounds* in the whole, shall be received from any one Depositor, and whenever the said sum shall accumulate, by reason of the addition of Interest, to *Seven hundred pounds*, all Interest shall cease thereon.

17th.—Any Depositor who may wish to withdraw the entire of his or her deposit from this Bank, for the purpose of investing the same in any other Bank, shall be furnished with a Certificate according to such form as shall be directed or approved of by the Consulting Committee.

18th.—IN case any Depositor shall die, leaving any sum or sums of money or Interest due thereon, belonging to him or her at the time of his or her death, exceeding in the whole the sum of Fifty Pounds in this Institution, the same shall not be paid to any person but upon production of the Probate of the Will of the deceased Depositor, or Letters of Administration of his

or her Estate and Effects. And when the whole Estate and Effects of such deceased Depositor, shall not exceed the value of Fifty Pounds, a Certificate shall be granted, signed by two Directors and the Secretary, to such person or persons looking for the Probate or Letters of Administration to entitle them to receive the same. In case the deposit shall not exceed in the whole, the sum of Fifty Pounds inclusive of Interest, the Trustees and Managers may, at any time after the decease of such Depositor, if they be satisfied that no Will was made and left by such deceased Depositor, and that no Letters of Administration will be taken out, of the Goods and Chattles of such deceased Depositor, pay and divide the same to and amongst the person or persons claiming to be entitled to the Effects of the deceased Intestate according to the Statute of distributions, or pay the same to any one or more of the relations of such deceased Depositor at the discretion of the Directors and Manager.

Form of Certificate to enable a Party to obtain Probate of a Will, or Letters of Administration.

It is hereby Certified that the deposits and produce of a Depositor in the Deposit and Loan Fund of the Agricultural and Commercial Bank of Ireland, amount to £ _____ in the whole, belonging to _____

Witness our hands this _____ day of _____ 18 _____

} *Manager.*

} *Secretary.*

19th—If any difference shall arise between the Directors and Managers of the Institution, or any person or persons acting on their behalf, and any Depositor

therein, or Executor, or Administrator, or next of Kin, or Creditor, or any other person or persons claiming to be entitled to the Effects of any Depositor, the matter so in dispute, shall be referred to the Arbitration of two indifferent persons, one to be chosen and appointed by the Trustees or Managers of the Institution, and the other by the party with whom the dispute shall arise; in case the Arbitrators shall not agree, then the matter in dispute shall be referred in writing to a Barrister at Law, appointed by the Consulting Committee as aforesaid, with a fee of not more than one guinea, and whatever award, order, or determination shall be made by the said Arbitrators or Barrister, shall be binding, conclusive or final. The Barrister's award, order or determination declaring by which party the said fee payable to the said Barrister shall be paid. Whenever the matter in dispute shall be referred to the Barrister aforesaid, the disputant or disputants must lodge the amount of said fee liable to the decision of said Barrister.

20th.—THE Interest or Dividends due to the Depositors in this Bank, shall be computed half yearly, to the 20th day of May and 20th day of November, or yearly to the 20th day of November, as the Directors or Managers shall think fit, but for no shorter period, and at no other time, except in case the deposit should be entirely withdrawn.

21st.—AN Annual statement of the Accounts accompanied by a List of the Directors and Managers, shall be publicly exhibited and affixed in a conspicuous place of the Bank Office, within Ten Days after the same shall be declared.

22nd.—EVERY Depositor, shall, on making his or her first Deposit, be furnished with a Pass-Book and a Copy of the Rules, for which he or she shall pay the Sum of *Sixpence*, When any further deposit is made,

or any money withdrawn, this Book shall be brought to the Bank, that the transaction may be recorded therein. The Pass Book shall be renewed as often as necessary, the amount already paid in, together with the Interest due thereon being transferred to the new duplicate. If a Pass Book be lost, a new one shall not be granted, except on payment of a Fine of *One Shilling and Sixpence*, which shall be carried to the General Fund.

23rd.—THE Depositor's Pass Book shall be his receipt and voucher, and its production shall be sufficient authority to the Managers to receive or pay money, *unless the Depositor shall previously give them Notice in Writing to the contrary*. And any Depositor who shall have Funds in the Bank amounting to *Ten Pounds* and not exceeding *Thirty Pounds*, and desire to withdraw the same, shall give *One Week's previous Notice* at the Bank, during Banking hours, of such their intention, and where the Sum shall exceed *Thirty Pounds*, or upwards, *Fourteen Days previous Notice* will be required.

24th.—A Cash Book and Ledger shall be kept at the Bank, in which the Deposits and Payments shall be immediately entered. The Cash Book shall be regularly balanced at the conclusion of business each day, and shall be verified by the Directors present, and the amount of the Balance shall be paid over to the Manager, whose Receipt for the same shall be taken and Filed by the Honorary Secretary for the time being; and a copy of the same shall be transmitted by him to the Consulting Committee of the Agricultural and Commercial Bank of Ireland.

25th.—A List of the Deposit and Loan Directors with their appointed days of attendance, shall be Posted in the Bank: Summonses shall be sent to them, *Three Days previous thereto* by the Secretary, and every Di-

rector who shall neglect to attend precisely at the regular hour, without finding a Substitute, who must be a Director, shall be fined *Five Shillings*, which shall be carried to the General Fund. And the Secretary shall be empowered to sue in his own name for any Penalty that may be incurred for non-attendance.

26th.—THAT the Accounts of the Bank, made up Annually to the 20th of November, shall be submitted to a General Meeting of the Shareholders, to be convened by Public Notice, as soon after that day as conveniently may be.

27th.—THAT the Rules, Regulations, &c. of the Bank, now made, or hereafter to be made, be entered in a Book, to be kept by the Secretary, which Book shall be always open during Banking hours for the inspection of the Depositors, and that such Rules, Regulations, &c. be fairly transcribed on Parchment, and such Transcript deposited with the Clerk of the Peace for the County, and all Rules, Regulations, &c. now made, or hereafter to be made, for the management of this Bank, and duly entered in such Book as aforesaid, and deposited with the Clerk of the Peace as aforesaid, shall be binding on the several Members and Officers of the Bank, and the several Depositors therein all of whom shall be deemed and taken to have full Notice thereof, by such entry and deposit as aforesaid.

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RULES AND REGULATIONS.

AGRICULTURAL AND COMMERCIAL

BANK OF IRELAND,

PROVIDENT LOAN.

The following are the Rules and Regulations of this Loan.

1st.—THE person applying for a Loan will be supplied at the Bank by the Manager with a printed paper, containing a Certificate as to character, which must be signed by two parishioners of known respectability, otherwise the application will not be attended to. The printed paper properly filled up and certified, to be lodged with the Manager one week before any answer can be given.

2nd.—THE person getting a Loan must give his or her note or notes jointly with two solvent householders, to the Manager, to be approved of by the Local Committee, for the Amount of the Loan.

3d.—No Loan to be given of a larger sum than Nine Pounds, British.

4th.—EVERY person getting a Loan pays Interest at Six per Cent per Annum.

5th.—THE Instalments for the Repayment of the Loan, to be paid by one Shilling in the Pound, weekly, on the sum lent.

6th.—FOR every week the Instalments are unpaid, the person is fined One Penny in the Pound the first week; Two Pence the second, and if not paid the third week no further Loan will be given, and the Sureties instantly sued.

7th.—ALL payments must be entered in the Bank Pass Book; the Depositor to pay for the book 6d.

8th.—REGULARITY in the payment of the Instalments, will insure the continual support of the Managers.

The instalments for the repayment of the loan are paid by one shilling in the pound, and the balance of the loan is repaid by one penny in the pound the first week of every week the instalments are repaid.

THE

ORIGIN AND PROGRESS

OF

THE AGRICULTURAL AND COMMERCIAL

BANK OF IRELAND.

A Gentleman, whose mercantile pursuits brought him frequently to Manchester, observing the formation of the Northern and Central Bank of England in that enterprising town in the year 1833-4, was struck by the utility of the design, and surprised by the ease and quickness with which it was completed.

The proposition of establishing a Bank with a capital of £500,000 to be raised by small shares of £5 or £10 appeared so novel, that the great capitalists and wealthy rival Bankers of the day at first sneered at the design and its projectors; but the enthusiasm with which it was hailed by the industrious classes, and the consequent support which from the commencement of business it experienced, that the great leviathans quickly changed their mode of attack into malignant rumors, unprincipled misrepresentation, and to all the little and despicable arts by which monopolists seek to mar the advancement of their fellow-men; but the simple force of public opinion, and the firmness of the originators of the Manchester Bank overcame all resistance.

The Head Bank at Manchester opened and by degrees the Company spread itself over thirty-seven of the chief trading and manufacturing towns of England, each town supplying by subscription its own share of the required capital, and all being amalgamated into one family having MANCHESTER as the head.

This Bank held its First Annual Meeting in May, 1835, when a dividend on the paid up Capital, of Five per Cent, was declared, whereupon the Proprietors immediately voted a piece of Plate, value Five Hundred Guineas, to the Directors.

Much honor is due to the men who had courage and constancy sufficient to complete the undertaking. Its great prosperity demonstrates its safety—it is gratifying to know that the Northern and Central Bank of England is now, next to the Bank of England itself, the most powerful Banking Institution in Britain, and yet it had to buffet through scoffs and taunts in its commencement. A List of its Branches is appended to this book, by which it will be seen, it is rooted in the principal trading towns of England out of London.

Encouraged by the success of this establishment, in which the individual before alluded to is a considerable shareholder, and being fully sensible of the want of some such Institution in the Agricultural Districts of Ireland, he opened his views to the able Manager of the Northern and Central Bank, (W. G. Cassels, Esq.) the result of which was, a Prospectus of a similar Bank framed and fitted to the wants of the agricultural and commercial population of Ireland.

The Shares were purposely created small that they might be obtained and held by the poor man—they were made numerous that they might be held by many; thus for the first time, an Institution was proposed to the Irish public in which ALL might partake,

a proposition in fact to THROW OPEN THE TRADE OF BANKING IN IRELAND.

The Prospectus was placed before the Irish public on its own merits, without aid from the emblazonment of a single name beyond the highly respectable Solicitors, to whom reference was made, selected by the proposer of the plan, for the high honor which characterises their House.

The Individual who had proposed this undertaking brought to its support an unusual share of industry, and energy. His own private property, which he realised in trade, afforded him the means of bringing the project before the public in a commanding manner.

The Prospectus, as the reader may perhaps recollect, was published in *every Newspaper in Ireland*.

The expense of this, and all the other expenses incurred in the early stage of the Company, were borne by this individual.

And thus was submitted to the test of public opinion the Prospectus of a native Bank, proposing to unite all classes and to stem that absentee drain which desolates the country.

It is due to the Messrs. Wallace, to state here, that their support of this Institution, while yet in an infant state, was peculiarly disinterested.

William B. Wallace, senr. gave the Prospectus all his support from the same motive that actuated most other gentlemen since connected with it, namely, an admiration of its principles and a thorough conviction of the immense service it will prove to the country.—

This disinterestedness was singularly proved by the house sending in a receipt in full for their Professional attendance from the first publication of the Prospectus in *June*, until the first Branch was established in *November*. 1834.

The press, the great arbiter of public opinion, speedily took up the project at all parts of Ireland, and, strange to say, from the organs of the most opposite political opinions, unequivocal praise was awarded to the plan. From all parts of Ireland public opinion was declared highly favorable to it—the country seemed to arouse itself as from a trance, and anxious inquiry became universal as to the project and its application to Ireland.

The doctrines advanced in support of the project were so sound—the arguments so forcible, that Ireland needed not the machinery of a London Board to enable its traders to support a really national and independent Bank; these truths were put in such plain but irresistible positions that the public were quite convinced of the complete practicability of the plan and in consequence letters in application for Shares, were received from all parts of Ireland, from gentlemen, who, admiring the plan, sought early to be its supporters, by enrolling themselves as Shareholders. A Provisional Committee was formed of Fifteen Gentlemen from amongst the earlier Shareholders for the purpose of holding a Public Meeting in Dublin, and thereby ascertaining more directly the state of public opinion, and if found favorable, to prosecute the design with energy and earnestness.

The First Public Meeting of the Shareholders was held in Morrison's Rooms, on the 12th July, 1834.—Although the Notice was published merely in the Dublin Papers, and but eight or ten days previous to the day of Meeting, yet numbers of country Gentlemen attended the Meeting from the South and West of Ire-

land, and also from Limerick, Roscrea, and other leading towns. Some of these Gentlemen were *deputed* by their fellow-townsmen, to offer to the projectors their unqualified confidence and support. The Share List was exhibited in the Room, when, before the Meeting separated, twenty thousand Shares of Five Pounds each were subscribed by the public. The Meeting was so decided in its support of the plan, and expressed itself so warmly in favor of that admirable portion of it, viz.—“The Provident Loan and Deposit Clause,—that a distinguished vote of thanks was offered to its originators, an addition was made to the Committee, and the Gentlemen comprising it, now seriously set themselves to work to complete the benevolent design.

Invitations came pouring in, requesting deputations of the Committee to almost every part of Ireland.—The Gentlemen who thus came forward at their own expense, lost no time in answering the calls made upon them by their country. Four Deputations were named to proceed to the Provinces, for the purpose of holding Public Meetings to get the necessary capital subscribed, and take immediate steps to establish the Bank.

And here it was that these Gentlemen, who left their families and their avocations to further a project which appeared to them fraught with good for the country,—here it was, that at the very threshold, were they met with the most unexpected, the most unprincipled, and indeed the most unnatural opposition that perhaps ever yet was offered to any single project or company whatever. Not only were its projectors and promoters held up to the world as adventurers, but the philanthropic individuals who, at great personal inconvenience, stood forward as its supporters were publicly and privately assailed. The most audacious slanders were printed and circulated respecting them, and indeed

private and public detraction, with its thousand intrigues were thought available in hunting down a native institution by those who now became alarmed at its progress.

The unnatural opposition to this institution is glanced at here, merely to show how powerful is *truth*, and *principle*, and *perseverence*.

Had this Company nothing to support it but the tinsel of a few showy names, it must have perished in the storm that was raised to ruin it.

But it had more than *names* or even wealth, it had within it *principle*, an agent never known to fail.

The PRINCIPLE upon which this company is formed prevents the probability of danger. The PRINCIPLE has been universally tried within the last hundred years and *has never in a single instance failed*. This principle is mutual co-operation and equal participation in loss and profit.

In this Company all the profits, whether made in Cork or Belfast, are divided equally amongst the Shareholders. This is the system adopted by "The Bank of England," "The Bank of Ireland," "The Provincial Bank of Ireland," "The Northern Bank of Ireland," and "The Belfast Bank of Ireland." It is the principle adopted by *every* joint-stock Bank in the united kingdom, save and except one solitary Bank—that one "The Provincial Bank of *England*," and the proposed "National Bank of Ireland."

The Provincial Bank of England is a bank formed in London, doing no banking business in that city, but Subscribing to the stock of branches in the country, which branches are stated to be separate and distinct from each other, but have to divide with the London head *half* the profits made at the branches. These branches are, as *regards each other*, utter strangers,

without sympathy in the losses or the gains of each other, consequently working as if they were so many independent and isolated Banks, set up as rivals to each other.

There is no other instance that can be adduced as an illustration of this system of banking than the above Bank, and this, up to the present time, has been in commercial language—a failure. The “Provincial Bank of England” has not failed to pay its debts, nay, we will admit it is perfectly good security to the public for its engagements, but its shares are at a considerable discount.

The system of banking wherein *the Branch* is obliged to divide half its profits with distant proprietors, has been aptly enough compared to a draw-farm, *which never yields such crops as that on which the farm-house is built.*

While on the one side abuse was heaped upon the Committee of this Company, the account was tolerably well balanced on the other, by the rapid increase in the Subscription List, and it was unanimously resolved by the Committee, with the consent of the principal Shareholders, that the machine should be set in motion by opening a branch in Nenagh, in compliment to that patriotic and philanthropic RESIDENT NOBLEMAN—LORD DUNALLY, who had early patronised the Company, and who presided at a public Meeting in that town called by Notice, for the purpose of establishing a branch of this Company therein, and who has continued ever since its warm and steady friend.

To the steady support of LORD BLOOMFIELD, also a RESIDENT NOBLEMAN, is the Nenagh Branch much indebted for its prosperity.

It was the wish of the Committee to open in those

towns which had been overlooked by the Provincial Bank and Bank of Ireland, and a sufficient number of Shareholders having appeared in Nenagh, agreeably to the conditions of the Deed of Settlement, the FIRST BRANCH of the "Agricultural and Commercial Bank of Ireland" was opened in this town on the 1st of November, 1834.

The opening of the First Branch had a very decided effect on the country. Subscriptions to the Share-List came in more rapidly; the inhabitants of Ennis, then without any Bank, were foremost in coming forward, and the required number of Shares having been taken, the Second Branch was opened in that town on the 3d of December, 1834, exactly thirty-three days after the first.

The enthusiasm of the inhabitants of Ennis on the opening of what they emphatically termed their own Bank, was unbounded, it being the first Bank ever established in that county. Now, however, there is a second Bank in that town, viz.—the "Provincial Bank," which opened there three months after the Agricultural Bank, so that the Town of Ennis and the County Clare generally, will now be much benefitted by the presence in the capital of the County of two Branch Banks.

In the Town of Bandon a very considerable number of most respectable Shareholders appeared, amongst these the Messrs. Beamish, Bernard, O'Brien, Bowen, &c. &c. and here too before the Prospectus of the Agricultural Bank appeared, there had never been a Bank.

The Provincial Bank opened here also a few weeks before the Agricultural Bank; but the Shareholders being determined to have their Bank, it was accordingly opened on the 23d December, 1834, and

continues to enjoy a very flattering share of public confidence.

In CASTLEBAR the Shareholders were very numerous and of the very first respectability. The required amount of Shares to justify the Committee in opening that Branch was very quickly taken, and the Committee lost no time in opening it, on the 10th of January, 1835, under the immediate auspices and protection of the Earl of Lucan, Sir Samuel O'Malley, Mr. St. Clair O'Malley and indeed the entire gentry and merchants of that District. Four Branches were now working to the full satisfaction of the Committee.

The Shareholders in New-Ross, however, being desirous to open their Branch with as little delay as possible, a request was forwarded to the Consulting Committee, stating that the Shareholders had determined to hold a Public Meeting on the subject, at which LORD CAREW would take the Chair, which was accordingly held in the Courthouse, on the 24th of February, 1835.

The Meeting was attended by a full Courthouse of the gentry of the Counties of Wexford and Carlow, who were anxious to hear a developement of the principles upon which the Company proposed to be worked.

Mr. James Dwyer and other gentlemen of the Committee attended the Meeting, and gave his Lordship and the gentlemen who supported him on the bench, the utmost satisfaction.

A considerable number of Shares were subscribed at the termination of the Meeting, and almost immediately afterwards the Bank opened for business, under the management of Duke Crofton Cooper, Esq. who

had been Bookkeeper and Teller in the Provincial Bank of Waterford for nine years previous.

In a few days after the opening of Ross the Committee were encouraged to open Enniscorthy, where another decided expression of public feeling was manifested at a special Meeting called for the purpose of considering the principles of this Company.

The Boroughrieve, John Nickson Nunn, Esquire, presided, and here, as in New-Ross, the Courthouse was filled by the gentry and merchants of Enniscorthy, Gorey, Newtownbarry, &c. &c. It would be tedious to recount the several scenes of complete triumph which followed the Company. Meetings were successively held in Skibbereen, J. S. Townsend, Esq. of Castletownsend, in the chair; at Killarney, Daniel Cronin, Esq. of the Park, Deputy Lieutenant of the County, in the chair; at Ballina, J. Bourke, Esq. J. P. in the Chair; at Strabane, Sir John Burgoyne, in the chair.

The result of all may be summed up in this :—That the Company was originally projected by an humble individual, at his own expense, on its own merits, applicability to the country, and as an exact counterpart of that flourishing establishment—The Northern and Central Bank of England.

That it had to contend with not only the natural prejudice of the public against new projects of every kind, and the opposition of the Old Banks—but against the special denunciation of the most powerful subject* in the United Kingdom, and the satire of the most talented writer† in the world.

* Mr. O'Connell.

† William Cobbett.

The opposition of the one was conveyed in three special speeches and a public letter; while that of the other occupied half a dozen *Registers*, and was the cause of a special embassy to this country, "to meet its Projectors face to face" as that gentleman himself designated the object of his visit to Ireland. He was, however, met in Fishamble-street Theatre by MR. DIXON, one of the Committee, whose reply to Mr. Cobbett on that occasion, dispelled much of the misconception which prevailed on the subject of the Currency.

The former objected to the Agricultural and Commercial Bank for its *plan*—that of small shares, a wide and equally responsible Proprietary with a common participation of Profits and Losses, because, as it would appear, he had allowed his name to appear in connexion with the Prospectus of another Bank proposed some time after, on the principle of Branches independent of each other.—The latter objected to the Agricultural and Commercial Bank because it was a Bank of Issue, as in his opinion, Paper Money had been by its contraction and extension, at the will of a few individuals, the cause of many evils in the social system.

The opposition of both individuals from different motives was powerful, and that the Institution survived it is at least a test, and an evidence that its supporters were possessed of nerve and weight.

It did survive however. The opposition from such quarters soon awakened the attention of the whole country to the consideration of the subject—that which before was but a private mercantile speculation now became a NATIONAL QUESTION, and as such it was treated by the adherents on either side. The great mass of the public were not long in deciding the

question ; the result of which is, that there are Eighteen Branches of this Company in full operation ; and before the New Year comes in, it is expected there will be Ten or Twelve more.

MANAGEMENT OF THE BRANCHES.

Each Branch is governed by two Local Directors who must be large Shareholders ; a Manager, who must give £5000 security ; Book-keeper and Messenger. The Bank opens Daily, from 10 to 3 o'Clock.— All bills for discount are left for the consideration of the Directors and Manager before One o'Clock.

The Local Directors are Residents of the town chosen for their respectability and knowledge of the country, and must be large Shareholders.

The Manager and Book-keeper are generally strangers, sent by the Consulting Committee.

The duty of the Local Directors is to pronounce on the solvency of the paper offered for discount.

The duty of the Manager is to take care of the Cash, and to see that no undue influence is practised as respects Discounts, &c. &c. The Bills ordered for Discount are simply initialed by the Local Directors.

The mode practised at the Branches is this—the Manager reckons over every morning a certain portion of Cash to the Book-keeper, who commonly acts as Teller and Book-keeper. After the operation of the public closes, the Cash in the Teller's hands is then counted, and all is handed up to the Manager for de-

posit in the Bank Safe. The books are posted, and the "Daily Abstract" for the Consulting Committee is then prepared.

The construction of this document requires particular description, for in it appears *every transaction* of the Branch that day.

The "Daily Abstract" is a large letter, about double the size of a common sheet of letter paper. On the first page is the CASH Receipts and CASH Payments, Debit and Credit, showing under various headings the sums paid to and the sums received from the public during the day.

The second subject is the BILLS Discounted, Lodged for Collection, on Hands, and Remitted.

The third subject is the state of Balance in Manager's hands, viz. :—

Cash
Bills

Fourth—LIABILITIES :—

Notes in Circulation	..
Due on Lodgement Accounts	...
Bills Lodged for Collection	...

Fifth—LODGEMENTS, whether of Bills or Cash.

Sixth—DRAFTS on each Account.

Seventh—PAST DUE BILLS; that is Bills under Protest.

Eighth—SHAREHOLDERS newly joined, Name, Residence, Profession, Number of Shares.

Ninth—LODGMENTS to Retire Bills due in Dublin, London, or at the Branches.

Tenth—PARTICULARS of BILLS Discounted during the day, viz:—Drawer, Acceptor, Endorser, Residence, Trade or Profession, Amount and Date of Bill, Amount of the Parties' paper previously in possession of the Bank, &c. &c.

Eleventh—BILLS REFUSED Discount during the day, with the Reasons, &c. &c.

Twelfth—LETTERS of CREDIT issued during the day, whether on Dublin, London, English Provincial Towns, Scotland, or the Branches.

Thirteenth—LETTERS of CREDIT honored during the day, drawn as above, &c. &c.

And last come the "Manager's Remarks" on the whole. This letter, though containing so much information, costs, but a single postage.

The Committee receive an "abstract" Daily from each of the Branches. These abstracts are received in the Morning, and opened by the Clerk of the Committee and two Members of the Board, who are deputed by rotation to attend to that duty exclusively.

The "Manager's remarks" are read over, and replies suggested in the margin—these remarks are generally very short and business-like, and the answers are equally so. Indeed where so extensive a share of business is to be attended to, lengthy remarks could not be tolerated.

If any Manager's letter requires the particular consideration of the Board, it is marked "Special," that the matter may have the full attention of the members. The letters are then taken by the Book-keepers, and the Drafts on English and Dublin Agents are carefully posted and the contents carried generally to their respective accounts. The letters are then handed to the *Correspondent of Branches* and Cashier, who notes whether all the Bills and Cash advised have been received,—the amount is checked and the Cashier signs a "Daily Receipt Book" which is then placed on the Board Table to wait the meeting of the Committee, who sign (four being a quorum) Drafts for the appropriation of the Cash, &c.—All Drafts for the remission, transmission, or appropriation of the Funds or Assets of the Company must have the signatures of four Members of the Committee before the same can be moved.

The "Correspondent of Branches" now takes all the letters, and from their nature and the remarks suggested on the margin frames his replies. Both the letters and answers are placed on the Board Table at Three o'Clock for the full assembling of the Members. The letters and replies are then read and such further remarks and suggestions as the subject of each requires are made, and the whole sealed, and despatched.

In this simple manner the central machinery is daily conducted; the Head Establishment discounts none, nor have the Members or Officers as such, any communication with the public. The Members of the Committee being far removed from local influence, can the more advantageously interpose their authority to check improper action at the Branches—it is a rule strictly adhered to, that no Local Director can be permitted to have any discounts in the Branch without special consultation with the Committee—nor can any Manager or

Officer of the Establishment obtain any discounts whatever for his own account. The *Inspector of Branches* is supposed to be continually travelling, his powers of inspection are unlimited; and so far as the Company have progressed, the Management adopted proves its competency by its simplicity and success.

The "Department System of Management" adopted by the Agricultural and Commercial Bank is reckoned by competent judges to be the simplest and most complete of any now in practice in Ireland: it is a compound of the systems of the Northern and Central Bank of England, the Bank of Ireland, and the Provincial Bank.

The preceding pages must show that it took no small share of pains and trouble, to mould out of very rough materials a system of Banking, now admitted by competent judges who acted for years in the old established Banks of the country, to be admirable. The reader may imagine the labours that devolved upon the Executive Members of the Board, when he calls to mind the multifarious duties that were to be done; but when he is told that the gentlemen who thus toiled daily, and it may be added nightly, not only invested their property and character in the concern, but gave up their avocations and amusements without charge to the Establishment of a single shilling, and that it is not the intention of any of the Directors to receive payment for their services, until the profits realised enable the Board to declare a dividend of Four per Cent. per annum on the capital paid up,—he must at least award them the merit of disinterestedness. However fatiguing the labours of the Committee may have been, the reward conferred upon them by the support of the country is quite cheering, and to that general appreciation of their efforts may be added, the very satisfactory statement that follows, extracted from the Books of the Establishment to the 1st of July, 1835.

Bills discounted by the Agricultural and Commercial Bank since its establishment;—

From £2 to £10	2,388 Bills for 1380 Persons,		
	Amount, £ 16,376	1	9
From £10 to £20	1,548 Bills for 945 Persons,		
	Amount, £ 23,320	4	0
From £20 to £50	2,109 Bills for 245 Persons,		
	Amount, £23,320	4	0
From £50 upwards	969 Bills for 585 Persons		
	Amount, £96,369	2	0

Due and unpaid on the 1st of July, 1835:—

From £2 to £10	None.
From £10 to £20	None.
From £20 to £50	5 Bills, amount £181
From £50 upwards	None.

It is quite cheering to contemplate this statement, and indeed these facts are highly creditable to the humbler classes of the people for whose service and accommodation this Institution was SPECIALLY DESIGNED. And from it may be augured the growing up of an improved spirit of punctuality, industry, and œconomy, the sure precursors of prosperity in a nation.

Probably this is the proper place to notice the very great impulse which the announcement of the Agricultural and Commercial Bank communicated to the other Banking Institutions of the country. The Banks opened within the last year in Ireland amount to about sixty or seventy, of these, eighteen belong to this Company, and many more were opened in consequence of, and, where Meetings had been held to establish the Agricultural and Commercial Bank; so that the projectors of this Bank may take credit for at least giving an impulse to that indispensa-

ble requisite of every commercial nation, viz. a well-organised and comprehensive monetary system, without which there cannot be trade, or ships, or factories, or employment.

And now the Company being firmly rooted, and its success being no longer doubtful, the Committee turn their attention to the leading features of the Company as laid down in the following articles of the Prospectus, viz. :—

16th.—“ That fifty thousand *provident shares* over and above and exclusive of the paid-up capital of *One Million*, may be subscribed for in weekly and monthly instalments, of sums not less than one shilling, that such instalments be received at the Branch Bank, on banking days, by the Directors, Managers or proper Officer, one or two of whom shall sign a scrip book, or other acknowledgement to the party subscribing. That as soon as the full amount of such share shall have been paid up, then such provident Shareholder shall be registered in the Company's books, and be, to all intents and purposes, a Shareholder from that day.

17th.—“ That if any such Subscriber to the provident shares *being* a labourer, servant, or working tradesman, or if a female *being* in a corresponding situation, within the district, shall continue his or her subscriptions, without intermission, as above required, for five years, (with certain exceptions as to sickness intervening, he or she shall, at the end of such term, be considered deserving the protection of the Bank, and provided his or her general character be good in the opinion of the existing Directors or Managers, he or she shall, on application, if about to commence any branch of industry, or calling, requiring accommodation, be entitled to a *cash credit*, at their discretion, which advanced sum will

be charged the usual Bank interest, and the principal liquidated by gradual subscriptions, back again to the provident shares of the Bank."

The Consulting Committee, acting up to these articles, have authorised the Managers in each branch to receive in sums of One Shilling and upwards, Instalments on Provident Shares, and in addition to this they have resolved to open "Provident Savings' and Deposit Accounts," under which head, sums of one shilling and upwards shall be received on certain days in the week, (which may be known at the branch,) and interest at the rate of three one-third per cent, as in the Savings' Banks.—See Rules and Regulations, pag 1, of this book.

To render this Fund useful in every possible way, to the industrious in each district, PROVIDENT LOANS will be granted at six per cent per annum of sums not less than Twenty Shillings and not more than Nine Pounds, payable at the rate of one shilling in the pound, per week, to the Manager, under certain "Regulations," which may be had at the Bank.

To obtain this advance two solvent sureties are required, who must be jointly bound with the applicant, the particulars of which are given in the Regulations, for which see page 11.

To the individual who is familiar with the detail of the "Savings' Bank" and "Loan Fund," as prevailing in some parts of Ireland, and in many parts of England and Scotland, little may be said to recommend this institution. *He* will see that this Bank unites in itself the valuable properties of the "Savings' Bank" and the "Loan Fund."

This is the feature in it that is *new* in Ireland; but

X a feature in banking well known on the Continent, as established by Napoleon under the denomination of *Montipiete*, which is a collection of Depositories for receiving the earnings of the common people, and re-issuing them in Loans to the public on satisfactory security.

It may not be out of place here to attempt a contrast between the supposed workings of the *Provident System*, as proposed by the Agricultural and Commercial Bank, and the system as existing in the "Savings' Banks."

CONTRAST SECURITY.

It is well known that money lodged in the Savings' Banks is not secure to the depositor, until actually lodged by the Manager in the Banks of Ireland or England, to the credit of the Commissioners for the Reduction of the National Debt, and though the gentlemen acting as a Committee in any Savings' Bank, may be in the highest degree respectable and trustworthy, and though any one or more of them may *sign the book*; yet if the Manager or Clerk employed in the Bank, or any other person make away with the money, they are not, nor is any individual in existence accountable to the persons who deposit the money.

This is really so alarming a state of insecurity for the deposits of those, who, from their station in life, must be ignorant of the laws, that something should be done to place these admirable institutions, the "Savings' Banks," upon a sounder footing.

To prove that this insecurity exists, and that many

X *Monte de Pieté*

persons have already suffered by it, the following recent instance of loss without remedy, is taken from the *London Times of 15th November*.

“CAUTION TO PERSONS LODGING MONEY
IN SAVINGS' BANKS.”

“We are sorry to have too much reason to give credit to a report which has just reached us, that a Gentleman at St. Alban's has absconded with a large amount of Savings' Banks deposits—rumour states nearly £8,000. There was a meeting of two Noble Lords in the neighbourhood on Tuesday, but no satisfactory information was given to the depositors as to the security of their investments, either by Government guarantee, or the responsibility of the Trustees. The Depositor's in Savings' Banks are, we fear, led away by the notion that Government is responsible for the Trustees, who received their money, and that their Deposits are as safe as if the funds were lodged in Government Stock. The Government do not, however, incur any responsibility, nor afford any guarantee, while the money is in the hands of the Trustees. What has happened at St. Alban's as well as a late case of a similar nature at Woolwich, leads us to suggest whether the great danger and uncertainty of depositing the earnings of the industrious classes, with Trustees, who may or may not be persons entitled to confidence, might not be avoided by ordering the Deposits to be made, in the first instance, with Collectors of Excise. Those gentlemen are in all cases bound to find ample security to Government, and make their circuits regularly at the end of every six weeks through every part of the country. This or some similar arrangement might obviate the serious and distressing consequence to families and in-

dividuals of such an occurrence as that which has taken place at St. Alban's.—*London Times*, 15th November, 1834.

Several other instances could be produced of a like nature, in Dublin and elsewhere; indeed, the general insecurity of the Deposits of the industrious classes in the Savings' Banks, has at length attracted the attention of the Legislature, as may be seen from the following extract from the last Parliament Report.

“HOUSE OF LORDS—THURSDAY, JUNE 11, 1835.
SAVINGS' BANKS.

“The Marquis of SALISBURY, after alluding to a recent case in Hertfordshire, where the Trustees and Managers of a Savings' Bank had incurred a loss of £10,000, and the Depositors much more, from the loose state of the laws relating to those institutions, he wished to know whether the Government would bring in any measure to remedy the defects of the present law.

Viscount MELBOURNE said he perfectly knew of the case alluded to; but yet he must say that he did not think that one case was enough to justify an alteration in the present law. He thought that a public discussion of the matter would tend much to the benefit of the whole. The Government would consider the subject, but he could not pledge himself to the introduction of any specific measure.

Lord BROUGHAM thought it highly desirable that the Gentlemen who now acted as Trustees should

not be unjustly alarmed. He would strongly press upon the Government to take the subject, which was of great importance, into immediate and serious consideration.

Lord DENMAN said the Trustees might withdraw their names, but he did not know that by so doing they would purge themselves from their liability—the money was paid in under the sanction of their names, and it would be a very grave question whether they could be allowed to go out by merely withdrawing their names.

The Marquis of SALISBURY explained, and the subject dropped."

Every one must see that a decided and immediate change must take place in the management of these Institutions, or else the consequences may prove to be alarming. Until such a desirable change takes place in those admirable Institutions, the Savings Banks, let us see what security the Agricultural and Commercial Bank affords:—

If any Depositor lodges money with the Manager and Director of the Agricultural and Commercial Bank *on Provident Lodgment Days*, the subscribed Capital of the PROPRIETORS AT LARGE is liable from the moment THE MANAGER SIGNS THE BOOK.

INTEREST ALLOWED TO DEPOSITORS.

The interest to be allowed by the Agricultural and Commercial Bank will be three one-third per cent. per annum, that is $2\frac{1}{4}$ d per day for £100.

The interest allowed by the Savings' Bank is the same, and in this respect the Agricultural and Commercial Bank offers no advantages over the Savings' Banks.

But mark—If a Depositor in the Savings' Bank were to continue twenty years putting money into it, he would have but the balance to his credit with the arising interest, to call upon at the latter end, and were he disposed to set forward in any branch of Business requiring a larger capital than he possessed, he must look to other sources than the Savings' Bank for assistance.

No matter how fair his character—no matter what his prospects may be, the Savings' Bank into which he has been putting for five, ten, or twenty years, will not advance him one shilling as a loan, even upon the best security.

Now let us observe the working of the Agricultural and Commercial Bank. If a depositor, in this Establishment will continue his or her subscriptions for three or five years, as a regular payment of one shilling a week, or even one shilling a month, provided the party be of good character, that is be *Industrious, Sober, Cleanly,* and *Peaceable*, the Agricultural and Commercial Bank will advance him, upon his own promisory note, as much more as he may have saved at the end of three or five years—which to make more distinct, we will

suppose a person saved $2\frac{1}{2}$ d. a day for five years, which trifling sum almost any body may save ; this petty sum which a boy may spend on toys, will, if deposited in the Agricultural and Commercial Bank, amount with Interest, at the end of five years, to about £22.

Now the Bank will pay the depositor £22, and will in addition, provided his character be satisfactory, *lend* him £22 more, thus giving him the means of setting up in business with *a Capital, a Character, and a Bank Account !*

The advanced sum he may, if he please, pay back again at the same rate of $2\frac{1}{2}$ d. per day until it be discharged.

The Agricultural Bank will not stop here—if the depositor resides this year in Cork, and the next year in Belfast, or in any other town in which a Bank of this Company be open, he may have his provident account TRANSFERRED to the latter place with *the same protection transferred along with it.*

Thus, this Institution acts by its depositors with parental friendship and solicitude.

Nor does the Bank loose by this system of accommodation—on the contrary, the resources of profit by the system will be immense, and is unknown at present to existing Banks.

For instance, the money deposited at $3\frac{1}{3}$ per Cent. by one portion of the public who can spare, is lent to another portion who are in want, at 6 per Cent., thus leaving behind for the *mere factorage* $2\frac{2}{3}$ per Cent., of which one per Cent may be put against supposed loss by defaulters, thus leaving nearly two per Cent. to the Proprietors *on this branch of their busi-*

ness, which, observe, costs them *no outlay of capital whatever*.

Nor is this all: there being no interest allowed upon fractional parts of a Pound deposited, and as the aggregate of each week's deposits may amount to many thousands, made up of such sums, a valuable source of profit is derived under this head.

The profit, however, does not end here, nor the good done to society either: in lending out this money again, there is a deep source of profit which few are aware of—and a deep source of advantage to the country also.

It has been already observed that the Agricultural and Commercial Bank will lend money to persons of good character upon the joint security of a respectable householder, such sum to be paid back again at the rate of 1s. per Pound per week.

We will take for example a labourer or cottier, who, suppose him working all the year round with a respectable farmer, applies to the Bank for a "Provident Loan" to the amount of Five Pounds—tendering his master as a joint security; of the safety of this security we may suppose the Local Directors and Manager are quite capable to judge.

The labourer obtains on this joint security, Five Pounds—but mind, he receives but £4 17s. 6d.; 2s. 6d. being deducted as the interest, at six per Cent. of Five Pounds for Twenty weeks: this money he receives in the *Notes* of the Agricultural Bank, which he takes to a neighbouring fair where he purchases a cow, for which he pays away these Notes, which, on the average

of circulation, do not return to the Bank for six or eight weeks, thus yielding so much interest to the Bank during all this time.

The labourer having purchased his cow, is enabled from a portion of her milk and butter to pay to the Bank the required instalments of five shillings per week, and at the end of twenty weeks *he has the cow cleared*—now this he does for half-a-crown premium, and a good character !!

But the profit of this transaction is as valuable to the Bank as it is to the labourer,—ere half the twenty weeks are elapsed, the weekly payments which this labourer makes into the Bank are lent out again at six per Cent. to other borrowers, and the interest being *deducted* in the first instance, at six per Cent., the real truth is, there is eight or nine per Cent. made by the Bank, while it affords unknown and indeed incalculable good to the surrounding community.

Here may the Promoters of the Agricultural and Commercial Bank take their stand, and claim from the wise and the good their support.

To the philanthropist—to the statesman—and to the divine, this Institution must become an active auxiliary.

To the philanthropist, in raising the poor man in the scale of society—increasing his means and his comforts—holding forth with the hand of a parent when opportunity offers, that succour which can be beneficial without loss.

To the statesman, in reclaiming the turbulent rioter, converting him into a good subject, and good citizen—and preparing him to take his place amongst the higher and more civilized portions of society.

And to the divine, in checking the savage propensities of neglected and despairing man; holding forth, as it were, a premium to the converted Christian—to the good son—the good husband—the good father.

Here are ends proposed!—and here are the means at hand, in operation, to work these ends.

Do we want the aid of foreign machinery to work these ends? No! It is a libel—a direct libel to assert it!—All we want is—

“A clear Stage, and no Favour.”

And all these things we will accomplish.

to the divine in checking the savage propensities of the neglected and dissipated man; holding forth as a premium to the converted Christian—the good husband—the good father.

CONDITIONS
OF THE
DEED OF SETTLEMENT,

OF
The Agricultural & Commercial
BANK OF IRELAND.

1st.—That this Establishment be called “The Agricultural and Commercial Bank of Ireland.”

2nd.—That the ultimate extent of Capital of this Bank shall not exceed One Million of Shares, on each of which the sum of One Pound Sterling (exclusive of One Shilling for defraying the expense of outfit) shall be paid, and no further call be made, without the sanction of a Meeting of Proprietors, duly convened for the purpose, nor in larger instalments than Ten Shillings per Share, the Consulting Committee to have the power from time, to time, of appropriating one-third of the clear profits to the increase of the capital stock—not to exceed five millions in the whole.

3rd.—That in the event of its appearing, by the Balance Sheet of the Company, or other satisfactory

evidence, that one-fourth of the paid up Capital be lost, it shall be in the power of any Shareholder to require a dissolution of the Company's engagements. If other Shareholders think proper to continue the concern, they must pay over to the dissentient, the then value of his or her share or what would be its probable value in case of a dissolution.

4th.—That it be at all times competent for twenty-one or more Proprietors, holding five hundred or more shares of the Company's Stock, to call for or obtain a General Meeting of Proprietors, by requisition addressed to the Consulting Committee, stating the object of the Meeting, and that such Meeting so to be required, be touching or concerning the business or regulation of the Company.

5th.—That the cities and towns in which Branches shall be established, shall be divided into First, Second, and Third Classes, as may be expedient for the interests of the Company.

6th.—That residents within a due distance of each of said cities and towns, shall be considered as belonging to such city or town.

7th.—That no individual shall hold more than five hundred shares in his or her name, without the consent of the Consulting Committee for the time being.

8th.—That in every question submitted to the shareholders, every holder of five shares shall possess one vote—of twenty shares two votes—of fifty shares three votes—and for each fifty shares above that number one additional vote; no holder of shares to possess more than ten votes—all votes to be given by ballot.

9th.—That the affairs of the Company shall be under the direction of a Consulting Committee consisting of not more than fifteen Members, each of whom shall be

possessed of at least three hundred shares, to be annually elected by the Shareholders by ballot; one third of such Consulting Committee to go out of office each year, but to be all, or any one of them eligible of re-election; such Consulting Committee to sit at such place as may be deemed expedient.

10th.—That no person shall be allowed to vote at the Public Meeting for the appointment of the first Consulting Committee, unless he or she shall have been possessed of the requisite number of shares, for one month previous to such Public Meeting, nor shall the right of voting be allowed at any subsequent meeting of the Shareholders, unless to those who have been possessed of such qualifications for six months previous to such Public Meeting.

11th.—That no person shall be eligible to be a Member of the First Consulting Committee, who shall not be possessed of three hundred shares for one month previous to the election of such committee, and that no person shall be eligible to be a member of any future consulting committee, who shall not be possessed of the like number of three hundred shares for six months previous to the election of such future Consulting Committee.

12th.—That so soon as a competent number of shares shall have been subscribed for, and paid up in any town and neighbouring district, a Branch Bank shall be established in such Town, as one of the first, second or third class (as the case may be), to be placed under the direction of a resident management; three hundred shares to be the qualification for any individual selected for such management, and that each Local Director shall have also three hundred shares. That it is desirable in all cases, where proper persons duly qualified can be obtained, to have a Local Director, or Directors, attached to each Bank. That it be allowable to the

consulting committee to dispense with the Local Directors, if it appear upon due consideration to be for the interests of the Company. But that any Manager in such a case be required in addition to the qualification above named to give full and ample security. That in the event of it appearing to be for the interests of the company to establish a Branch or Branches in any city or town wherein the number of shares stated in the prospectus as a requisite shall not have been then previously subscribed, the consulting committee be and are hereby empowered to take the necessary measures for the establishment of such Branch or Branches.

13th.—That the Secretaries or Managers shall give their constant attention to the affairs of the company. All officers employed to give adequate security.

14th.—That experienced accountants be employed by the committee, for the time being, who shall from time to time, visit and examine the several Branches.

15th.—The Proprietor of the Stock of any other Banking company may be, according to the foregoing and following conditions, a Proprietor of the Shares of this company, and receive its profits and dividends, but no Director or Officer of any other Bank shall be capable of being a Director or Member of the consulting committee, and any Director of, or Member of the consulting committee, who shall become a Director or Officer of any other Bank, shall thereupon cease to be a Director or Member of the said committee, and a new Director or Member shall be elected in his stead.

16th.—That fifty thousand *provident shares* over and above and exclusive of the paid-up Capital of *One Million*, may be subscribed for in weekly and monthly instalments, of sums not less than one shilling; that such instalments be received at the Branch Bank, on banking days, by the Directors, Managers

or proper Officer, one or two of whom shall sign a scrip book or other acknowledgement to the party subscribing. That as soon as the full amount of such shares shall have been paid up, then such provident Shareholder shall be registered in the Company's books, and be to all intents and purposes, a Shareholder from that day.

17th.—That if any such Subscriber to the provident shares *being* a labourer, servant, or working tradesman, or if a female being in a corresponding situation, within the district shall continue his or her subscriptions, without intermission, as above required, for five years, (with certain exceptions as to sickness intervening,) he or she shall, at the end of such term, be considered deserving the protection of the Bank, and provided his or her general character be good in the opinion of the existing Directors or Managers, he or she shall, on application, if about to commence any branch of industry, or calling requiring accommodation, be entitled to a *cash credit*, at their discretion, which advanced sum will be charged the usual Bank interest, and the principal may be liquidated by gradual subscriptions, back again, to the provident shares of the Bank.

18th.—That the shares of this company, except the "provident shares," shall be paid up when required, by two instalments of ten shillings each, subject to the provisions in 2nd section of Prospectus.

19th.—That the clear profits of the Company shall be divided half-yearly, and be paid at the respective Branches, or in Dublin, subject only to such necessary drawback as may be deemed expedient, of such profits, which shall be kept and detained to form a *reserve fund* or increase of capital—such reserve fund not to exceed the proportion mentioned in second resolution.

20th.—That the Laws constituting the Company cannot be altered unless by the vote of Two Meetings, specially called for that purpose, on notice of not less than ten days or more than twenty-one

21st.—That half-yearly reports of the Proceedings shall be published, giving full and satisfactory statements of the affairs of the Company, and submitted to General Meetings; such accounts to be certified at least by three of the consulting committee and verified by the Book-keeper or other proper officer of the Company.

22nd.—That whenever the Local Directors shall have been appointed to superintend the affairs of any Branch or Branches, such Local Directors shall be removable at the discretion of the consulting committee, or periodically as the interests of the Company may require.

23rd.—That it shall at all times be lawful for the consulting committee to call a Special General Meeting of the Company, by public advertisement, giving at least ten days notice and stating the objects.

BRANCH BANKS OF THE COMPANY,

OPEN

At the following Cities and Towns, August 1st., 1835.

Ballina,
Bandon,
Castlebar,
Cork,
Ennis,
Enniscorthy,

Galway,
Killarney,
Kilkenny
Limerick,
Longford,
Mallow,

Nenagh,
New Ross,
Roscrea,
Skibbereen,
Strabane,
Tuam,

And further Branches in progress, to open in other cities and towns.

The Notes of the company are payable at the Branches of issue, and exchangeable for Bank of Ireland Notes, at the House of the company's Agents—Messrs. R. S. GUINNESS, & Co. 5, Kildare-Street. Letters of credit given by this Company at their Branches, on Dublin. And on the following places, viz :—

LONDON,

Bakewell	Liverpool,
Bangor,	Macclesfield,
Birmingham,	Mold,
Bolton,	Manchester,
Bristol,	Nantwill,
Carnarvon,	Norwich,
Chester,	Nottingham,
Checkheathom,	Ormskirk,
Colne,	Oswestry,
Clitheroe,	Sheffield,
Congleton,	Shrewsbury,
Denbeigh,	St. Helens,
Hollywell,	Tamworth,
Halifax,	Wakefield,
Keighly,	Wem,
Knutsford,	White Church,
Leeds,	Worcester,
Leominster,	Wrexham,

SCOTLAND.

Aberdeen,	Falkirk,
Alloa,	Gatehouse of Fleet,
Annan,	Glasgow,
Banff,	Hamilton,
Beith,	Hawick,
Biggar,	Inverness,
Blangowrie,	Kelso,
Cambletown,	Kilmarnock,
Collinsburgh,	Kirkaldy,
Creiff,	Kirkwall,
Cromarty,	Lanark,
Cupar,	Leith,
Dalkeith,	Linlithgow,
Dumbarton,	Melrose,
Dumfries,	Musselburgh,
Dunbar,	Newburgh (Fife),
Dumfermline,	Peterhead,
Dunkeld,	Stirling,
Edinburgh,	Tain,
Elgin,	Thurso,
Eyemouth,	Wick.

Law Agents of this Company:—

Messrs. William Baily, Wallace, and Sons, 12, North Great Georges-Street, to whom and to the Managers of Branches, applications for Shares are to be made.

NATURE AND DEFINITION OF CAPITAL.

Many persons suppose gold or bank notes to be *capital*, than which nothing can be more fallacious. Gold, or bank notes, merely *represent* capital. *Capital must exist before* either derive the least value. The question then comes, what is capital? To which we answer,—climate and soil are capital—rivers and harbours are capital—mines and woods are capital—men and provisions are capital—peace and knowledge are capital! To prove this, let us suppose the owner or renter of one hundred acres of land, to say to one hundred workmen I will hire your labour for as many hours and as many days in the week as you shall think well to let it, for the which I will provide you with a certain number of pounds of bread, meat, vegetables, &c. The hundred men, seeing that he offers them more pounds weight of food than they can make use of, accept the offer and repair to his land, where, we suppose, he raises flax; so far we hear of no money, and yet the men engage to work, and actually commence: at meal times of the first day, the master gives to each certain *wooden tickets*, on a certain store-house, where he had previously hoarded up a quantity of food and drink: the workmen apply, and receive their first meal, and so with the second and third. They continue at work to the end of the week, and then find they have not been able to eat all the food he had given them, and they bethink themselves what they shall do with the overplus. We here see they have got to the end of the first week without having found the want of money. They do not want house, fuel, drink, or clothes; these the master has already supplied them with (as we have already *supposed*). Some, however, look about, and perceive ornaments which they desire; for these they barter their overplus provisions, which is done by passing from hand to hand the little wooden ticket on the

provision store-keeper. Now observe here is the second stage of the exchange. Some one of these hundred workmen, however, wishes to preserve the provisions which he cannot now make use of for some supposed time, when he shall marry and have other mouths to feed besides his own, and he accordingly thinks of laying by some of those extra provisions; but this he cannot do, because they would not keep: and therefore he applies to the storekeeper to know if he will grant him seven years hence as many pounds of bread and meat as he now has wooden tickets to represent? Upon the provision store-keeper assuring him that he will, he lays aside the tickets for as much as he has no need of, and hence arises the first "accumulation of capital." But mind, the *bit of wood* is not the capital. The PROVISIONS in the store, are the CAPITAL. And further, bear in mind, that one bit of wood, not larger than your thumb nail, may be made to *represent* ten thousand pounds of bread, and ten thousand pounds of meat.

We now come back to the master who employs all these men. We find he can keep them at work as long as the provision-store *lasts but no longer*; it lasts, however, for one year, and by that time he has his flax saved, spun, woven, and bleached, and ready to exchange with any one for provisions for his men and himself. He finds, besides, that he has three times as much linen as will procure himself and his men food for the next year. But then, he wants flaxseed from America—timber from the Baltic—Tea from China, &c. To each of those places he sends a box of linen, which represents in Ireland a certain number of pounds of provisions. The number of pounds of provisions it would fetch in Ireland, he sets in the invoice account. We know it is not bread and meat he writes, but these are what he *means*. When the linen arrives

in China, the hong merchant calculates how many pounds of bread and meat the box of linen will fetch him: he knows how many pounds of bread and meat the chest of tea has cost him which he is now about to exchange, and finding he can obtain a great many more pounds of provisions for the box of linen than for the chest of tea, he consents to the barter. The same course is pursued by the American merchant as regards the flaxseed, and by the Baltic merchant as regards the timber. The timber of the one, and the flaxseed of the other are the articulate capital of these countries—the prepared, the exchangeable capital.—We mean by these terms that portion of the productions which can be readily done without in one country and that are wanted by another country, which may be explained negatively thus:—*water*, though one of the primary elements of capital, is seldom exported but as drink for the use of ships while on voyage—not because water is not of the first consequence in every nation, but because every nation possesses an abundance of it. We see that in all this home and foreign trade there is no money visible—there is no money *wanted*. What has been done for a year, or two, or three, may be done for a thousand. Probably, to some, this dissertation on the nature of capital will appear superfluous: so perhaps it is, but then we meet so many persons that assert that “capital is wanted in the country:” so many persons who assert, that “until capital *comes into* the country no good can be done;” so many who assert these things in the presence of the fact, THAT WE HAVE MORE CAPITAL THAN WE WORK, staring them in the face—who mistake the representative for the thing itself—the *agent* for the *landlord*—that something is necessary towards clearing away a portion of the unsound materials before we proceed to lay our foundation.

NATURE AND DEFINITION OF BANKING.

Banking is the art of borrowing the command of a certain quantity of the necessaries of life, or, in other words, "money" from one man at a low interest, and lending it to another at high interest; and the difference between that which the banker pays to one, who has no great need at present for the use of the necessaries or the money, and that which he obtains by hiring them out to another, who has some pressing necessity for them, makes up his whole profit.

Now there is no great stretch of intellect wanted to understand this. Let us see *how* and of *whom* we then shall borrow. Suppose a man with five hundred sovereigns in his chest, for which he had no immediate employment, were to say to himself, "I will turn banker," and that he actually proceeded to the extremity of publishing himself a banker over his own door, in the following words:—"Richard Thrifty, licensed banker: bank notes issued here." He would be laughed at—nobody would take his notes—he could not obtain money at an interest sufficiently low to lend it at a remunerating profit; he could operate with but five hundred pounds, and that being small as a whole, one or two borrowers would require the use of it, and if one of the two happened to stop payment, the owner of the five hundred sovereigns would be ruined.

Then imagine another man possessed of *five* sovereigns proposing to himself the same resolution of turning banker, and proceeding to issue his own bank paper, this person would be the subject of pure ridicule in his neighbourhood; yet there is nothing really ridiculous or unsafe in the *principle*. A man with five pounds of his own, over and above all his debts and wants, is entitled to credit from the public, if he can show the public that he can turn

the credit he asks for to a profitable account.—Such a man is quite as safe in the relative proportion of his clear capital, and the natural public credit attached to it, as the man with five hundred, or a man with a hundred thousand pounds. But then, the public will not take this view of the matter, and the public, in the long run, is right. It argues thus:—“What you say may be very true, the man may be an honest man and safe; but we would rather have the public bank notes.” The public is right on these grounds, that even an honest man may from some unforeseen event be obliged to stop his payments, and if they hold the security of but *one* individual they run an unnecessary risk. Then we say to the man of five hundred, and to the man of five pounds, *join together*, and when there are five hundred or a thousand of you in one great company, you can do that collectively which you could not do as individuals. For every pound you embark together in a great company you obtain two or three pounds credit from the public by the circulation of your notes alone. Thus the man with five pounds commencing the banking business, will, in four or five years, be worth ten pounds if he permits his capital and interest to accumulate; and he who put in the five hundred pounds will, in like manner and time, be worth nearly a thousand! But it may be asked, “Will the public continue under the delusion, that because a parcel of men are got together they are entitled, or that they will obtain that amount of credit, which, if divided amongst them in due proportions, nobody would be willing to allow them?” To which we answer, there is no delusion at all in the proposition. The public see clearly enough that a great company like this will obtain the use of an immense sum of money as deposits, without the payment of any interest at all—that on this immense sum there must be a great clear profit—that they will move into circulation by the medium of their branches, at probably one hundred separate points of the kingdom, their own bank notes,

and so far displace the bank notes of some other company—that the more partners there are in this great company and the greater distance they reside from each other, the more paper they can circulate, and, consequently, the more capital they can have *free of all interest whatever*.

Then again, there are persons who will lend five hundred partners, so constituted, their money for a stated time, at two per cent. per annum, who would not lend any individual of the five hundred the same money, at less than five per cent. From these three channels, the public know well enough, a large yearly profit will flow into the company, and they conclude, that though the company, as a company, may suffer by an occasional loss in the lending out this capital, subscribed or borrowed as it may be, yet that their resources and their profits being so very large, the loss of any one, or any ten failures, will not be more than slightly felt by the whole, and, in fact, will but merely *lessen the dividends*, and not at all affect the capital of the five hundred or the thousand partners. This may be further illustrated by instancing the insurance of a house against fire. A party insures his house for a thousand pounds, with *one* man—the house is burnt—the sufferer applies for his thousand pounds—it comes unexpectedly on the insuror—he finds it not convenient to pay—the sudden and unexpected demand may embarrass him—he fears it will ruin him—he stops short—and the sufferer by the fire is ruined for ever. Another insures his house for a thousand pounds with a thousand persons in one society. The house is burnt: he applies to the company, and is paid—it is but one pound each amongst so many—nobody feels it—and the sufferer is put straight again.

MERITS AND PROFITS OF JOINT STOCK AND BRANCH BANKING.

Perhaps the plainest illustration of the power to accumulate, possessed by a bank of many branches that we can produce, is the high road from Dublin to Cork, which every body knows is very long and very much frequented. But this road, great as it unquestionably is, and large as is its turnpike income, would not be of much value for its *length* if it were not that there are thousands of little roads pouring into it every day their tributary streams. If a native of some distant country were, by supposition, to drop from a balloon, on the road mid-way between Cork and Dublin, and meeting the Cork coach, he would probably conclude that all the passengers were *coming from the city of Cork and going to the city of Dublin*. But every one of us know that, comparatively considerable as the trade of Dublin and Cork is, yet situated as they are at such a distance from each other, were the road between them as level as a railway, and supposing the whole intermediate space to be a perfect waste, without a cross-road—without a town, a house, or an inhabitant—the mail-coach would not travel from city to city beyond once a fortnight, or at most beyond once a week: it is the passengers from town to town on the way that pay the coach-owners their expenses and profits.

To prove this proposition, let us take the trade between New York and Liverpool—twenty or perhaps thirty times as great as that between Cork and Dublin—probably three times as many passengers of the richer class pass annually between New York and Liverpool as travel between Dublin and Cork direct. Now mark

—the expense incurred by the proprietors for twenty-four hours' running of the Cork and Dublin coach, is as great as the expenses of the New York packet across the Atlantic to Liverpool, including sea stores and the wages of all the hands! And because of the want of intermediate stations in the Atlantic to create more travelling from place to place on the passage, the New York and Liverpool mail packets sail but once a week. The value therefore of a bank of branches, based as this will be on the whole people, and rooted in every market and post town of the kingdom, to society and consequently to the shareholders, must be of such magnitude that we do not at present care to hazard an estimate. We must see as plainly as if we touched the moving agents, the smaller branches bringing business to the larger—these again to the head depositories; each transaction, whether a discount, a loan, an issue, or a deposit, carrying with it on its back a quantity of clear profit—unloading itself on the great roads of the bank: and when accumulated into heaps there, moving back into the fields and bye-ways of the institution, again to be spread over the surface of society—to remain hidden as it were for a season, but re-appearing with manifold increase—thus accumulating, spreading, and accumulating to infinity!

This is the theory of branch banking; we have now to look at the successful *practice*; and first beginning at home, we perceive before us a magnificent example of the success of the joint-stock and branch principle.

Most of the Irish public know that the Provincial Bank was formed in London, in the year 1825, by a few gentlemen residents of that city, and who reside there still; that their paid-up capital amounted to but five hundred thousand pounds, being twenty-five pounds per share on twenty thousand shares—that from the excellence of their *system* they have succeeded in putting into circulation three millions and a half of their paper

and upwards—that their shares (which never cost more than twenty-five pounds each to the original shareholders) are now worth, when offered for sale, forty-seven pounds ten shillings, thus making the one hundred pounds vested in 1825, worth *one hundred and ninety pounds* in 1834!—whilst they have made after the first year or two of fair work, full seven, eight, and latterly fifteen per cent. per annum. Now mark—this was done and is doing while the proprietors sit in London—this is doing while the *Directors* sit in London—yes, positively!

These gentlemen cannot but smile when they hear of us expressing desires for “the introduction of British capital into Ireland”—to be sure they do, and well they may, when many men in Ireland with near five hundred thousand pounds embarked in trade and buildings actually apply to the agents of these gentlemen for discounts and loans! Of course we do not find fault with these gentlemen—on the contrary we admire them: they have done much to introduce a spirit of enterprise into the country; and, because we do admire, we propose to imitate them. If so much has been done by strangers to the country—if so much has been done by men not originally knowing perhaps fifty mercantile men in Ireland, sitting at present five hundred miles from the scene of action—how much *may* be done by a great National institution, working at all points of the kingdom, and supported by the whole people—its action tending to enliven industry—its presence holding forth encouragement to fresh enterprise—its numerous partners, each anxious for its safety, affording an effectual check to adventurers—its numerous branches governed and directed by men living on the spot, amongst the shareholders who must know their several characters well: affording thus individually as branches; and collectively as a body, a guarantee of safety, of utility, and of profits, which *no other* institution, as yet established in Ireland, affords.

SCOTCH BANKING.

The Irish public have witnessed with their own eyes the success of the joint-stock and branch principle amongst themselves; they shall now have a glance at its workings elsewhere, and first at its wonder-working operations in Scotland.

Scotland, be it remembered, with but half the extent of surface and with but a fourth of the population of Ireland—with a soil comparatively barren, and absolutely importing some of its raw capital from Ireland—yet hear the progress of commerce among that handful of enterprising men.

In reference to the character and progress of these banking companies in Scotland, the CENTRAL BANK OF SCOTLAND, lately formed, observes:—"It may only be necessary here to give a few examples of the handsome returns which public banks, such as that now proposed, have, in various parts of Scotland, yielded to the Shareholders.

The Bank of Scotland, Royal Bank, and British Linen Company, have all, from the time of their institution, paid high dividends, besides yielding from time to time large bonuses to the Shareholders; and their stock has long stood at enormous premiums.

The Commercial Bank of Scotland, which commenced business only in 1810, and had to contend not only with strong opposition in a field almost pre-occupied, but with very unfavourable times, yielded on the investments during the first thirteen years fourteen one-fourth per cent

The Provincial Banks have, in proportion to their capital, afforded equally good returns.

The Shares of the Aberdeen Bank, which cost at the commencement £150, rose to the enormous sum of £2500.

Those of the Dundee Commercial Bank, which commenced business only in 1823, are at a premium of 79 per cent., and yield a dividend of £10 on every £100 advanced, although the concern has been labouring under a disadvantage of a competition with three local banks, and a branch of the British Linen Company.

To come to the very district in which the present address is issued, it is notorious that few banking concerns have been prosecuted more profitably, from the time of its original institution downwards, than that of the Perth Banking Company.

Since 1829, the date of the present contract, it has declared yearly profits to the amount of twelve per cent., of which it has paid to the partners seven and a-half per cent., pleasing the remainder to a sinking-fund, and the stock is at this moment at a premium of seventy-five per cent."

The most wealthy and influential of the Scottish Banking Companies are those which have numerous branches. Thus, in 1826, the Bank of Scotland had sixteen; the British Linen Company twenty-seven; and the Commercial Bank of Scotland thirty-one branches, all of which have since increased. There are altogether in the city of Edinburgh, seven joint-stock Branch Banks, and six Private Banks—Total, thirteen.

ORIGIN AND PROGRESS OF THE COMMERCIAL BANK OF SCOTLAND.

This is the Company of which the Central Bank of Scotland, now just formed, remarks:—"The Commercial Bank of Scotland, which commenced business only in 1810, and had to contend not only with strong opposition in a field almost pre-occupied, but with very unfavourable times, yielded on the investments, during the first thirteen years, fourteen and a half per cent.

From the progress of this bank, we elicit several *important particulars.*

The Commercial Bank of Scotland was originated by the trading community, and the old establishments stigmatised it with the designation of "*The Shopkeepers' Bank*"

The shopkeepers, however, were judicious, energetic, working men; they speedily established their bank, its branches, and its circulation;—prosperity, liberal dividends, and a large premium, immediately followed, and its shares were in request amongst the most aristocratic of the old-company's admirers!"

The following extracts are from the "Reports of the Lords' Committee, on Scotch and Irish Banking, 1826."

"Another witness who had been committed for many years with different banks in Scotland, and has

had experience of their concerns at *Stirling*, *Perth*, *Aberdeen*, and *Glasgow*, stated that more than one-half the deposits in the banks with which he had been connected, were in sums from ten pounds to two hundred.

Being asked what class of the community it was that made the small deposits, he gave the following answers, from which it appears, that the mode of conducting this branch of the banking business in Scotland, has long given to that country many of the benefits derivable from the establishment of Savings' Banks:—

Question—What class of the community is it that makes the smallest deposits?

Answer—They are generally the labouring classes in towns like *Glasgow*, in country places like *Perth* and *Aberdeen*, it is from servants and fishermen, and that class of the community, who have saved small sums from their earnings till they have come to be a bank deposit. The system of banking in Scotland is an extension of the provident banking system. Monthly, quarterly, and half-yearly, these depositors come to the bank, and add the savings of their labour, with the interest that has accrued upon the deposits for the previous half-year, to the principal, and in this way it goes on without being at all reduced—accumulating (at compound interest) till the depositor is able either to buy or build a house—or till he is able to commence business as a master in the line in which he had hitherto been a servant. A great part of the depositors are of that description, and a great part of the most thriving of our farmers and manufacturers have arisen from such beginnings.

CASH CREDITS.

The Scotch System of *cash credits* has been well described in the same report:—"there is also," say their lordships, "one part of their system which is stated by all the witnesses (and in the opinion of the committee very justly) to have had the best effects upon the people of *Scotland*, and particularly upon the middling and poorer classes of society, in producing and encouraging habits of frugality and industry. The practice referred to is that of cash credits.

Any person who applies to a bank for a *cash credit* is called upon to produce two or more competent securities, who are jointly bound; and after a full inquiry into the character of the applicant, the nature of his business, and the sufficiency of his securities, he is allowed to open a credit, and to draw upon the bank for the whole of its amount, or for such part as his daily transactions may require.

He pays in, when he has funds unoccupied, such sums as he thinks well of, to the credit of the account, and is charged or credited upon the daily balance as the case may be.

From the facility which these cash credits give to all the small transactions of the country, and from the opportunities which they afford to persons who begin business with little or no capital but *their character*, to employ profitably the minutest products of their industry, it cannot be doubted that the most important advantages are derived to the whole community.

Cash credits are not, however, intended to become a *dead loan*; the main object of the banks in granting them is to get their notes into circulation, and they do not grant them except to people in business, or to those who are *frequently* drawing out and paying in money."

Cash Credits are thus spoken of by Mr. Gilbert, manager of the London and Westminster Bank, in his admirable treatise on Banking, lately published.

Cash Credits have a considerable moral influence over the habits and character of the people.

"The security afforded to a bank by its debtor, or rather its customer on a cash credit, is by bond with two sureties at the least—occasionally there are not two sureties, but frequently many more; the practical effect of which is, that the sureties do, in a greater or less degree, keep an attentive eye upon the future transactions and character of the person for whom they have thus pledged themselves.

"And it is, perhaps, difficult for those who are not intimately acquainted with it to conceive the moral check which is afforded upon the conduct of the members of a great trading community, who are thus directly interested in the integrity, prudence, and success of each other. It rarely, indeed, if ever, happens, that banks suffer loss by small cash credits.

"This system has a great effect upon the moral habits of the people, because those who are securities feel an interest in watching over their conduct; and if they find they are misconducting themselves, they become apprehensive of being brought into risk and loss from having become their securities, and if they find they are so misconducting themselves, they withdraw the security.

“ Sometimes cash credits are recalled from the interference of the securities. They have the power of knowing from the Bank at any time the state of the account, and the operations upon it; and if from that, or from other circumstances, they have been led to think less favourably of the person for whom they gave the security, they can immediately cease to allow that account to be further operated upon.”

“ The explanation of the cash credit system is this:—the Bank, who first opened a cash credit, opened it with an individual shopkeeper. He received payment of his goods in the currency of the country.

“ Previous to that system he used to put his currency into his drawer, eight, or ten, pounds, or whatever it was.—If people brought him larger money to pay for his goods, he returned those people change, or if he did not he kept it until he wanted to purchase for himself.

“ But after the banker had explained to him what he wished him to do, when the shop-keeper received the currency of the country, instead of putting it into his till, he looked to the banker’s shop as his till, and handed it over to the banker, and left his own till with only the change which he could not do without.

“ Then when he required sums to pay away, instead of taking them from his till, he sent to the bank and took from it what he required, the banker giving him his notes. So much of the previous currency was thus removed, and the banker’s notes taken in its place.

“ That was the effect of the first operation, when the thing was only in so simple a state that there

was only the notes of one bank and a metallic circulation.

“If you apply the same principle where there are thirty banks, the result would be the same.—The amount of the circulation of the country continues the same, but the proportion between its parts vary.

STABILITY OF THE SCOTCH SYSTEM.

COMMONS COMMITTEE, 1826.

Mr. ROGER AYTON: “Do the people of Scotland prefer bank notes to gold? They do.

Do you feel that the system of banking in Scotland is safe from those risks which occur in this country from panic? I think it perfectly safe from panic.

In point of fact, has there ever been a run upon the banks throughout Scotland? I never knew one.”

Mr. A. BLAIR: “Do you think the system a secure one in case of sudden panic? I consider a sudden panic a most improbable thing in Scotland, from the great confidence that generally prevails in the establishments, throughout that country.”

Mr. K. FINLAY: “It is the knowledge men possess of the means of the Scotch Banks which creates that confidence, that puts aside all belief of the probability of the existence of such a panic as has prevailed in this country.”

ISSUES OF THE SCOTCH BANKS.

Mr. J. G. CRAIG: "Do you think that if all the banks were to combine, they could by any means force more notes permanently into circulation than the transactions of the country required? I think it quite impossible: the notes that were not required for the use of the country would instantly be returned into the banks."

Mr. ALEXANDER BLAIR: "If the notes issued by a banker are over and above the amount the country would absorb in circulation, they would be necessarily paid into one of the other banks and they would bring them against the banker who issued them."

Mr. KIRKMAN FINLAY: "If a bank at Glasgow were to issue more notes than the circulation could absorb, than the wants of the country required, the consequence would be, a balance of notes against that particular bank in the hands of the other banks."

To these may be added the opinions of the following well-known authorities:—

"The remarkable progress which Scotland has made in her commerce, manufactures, agriculture, and fisheries, is to be attributed to her banking system."—
SIR WM. PULTENEY.

"The facilities afforded by the banks are one of the ingredients, and perhaps I should say the principal ingredient, of the prosperity of Scotland."—KIRKMAN
FINLAY.

“The trade and industry of Scotland have increased very considerably, and that the banks have contributed a good deal to this increase cannot be doubted.—ADAM SMITH.

“To the banks of Scotland the improvement of that country is entirely owing; and all commercial countries by imitating them, will reap advantages of which they are at present deprived.”—SIR JAMES STEWART.

ENGLISH BANKING.

So far as regards Scotland. Let us now turn to England. But where shall we begin?

Every county in this great country is in itself a kingdom of commerce.

The whole population is knit and interwoven together in commercial co-operation. Clerks, working Tradesmen, and servants, are bankers.

They, in common with the richest classes, hold shares in every possible speculation of commerce.—Building, manufacturing, public roads, railways, mines, shipping—in short, every branch of commerce which forms the elements of a nation's greatness, is in this great country undertaken, and carried forward on the principle of joint-stock association.

It would fill a book even to enumerate the countless companies that form the base of the commercial fabric of England.

In the single county of Lancashire, which embraces Manchester and Liverpool, there are several joint-stock banks, each producing business for itself, and each yielding a fair return of profit to the share-holders.

One or two of these, however, deserve particular notice, because they are working on the very principle now proposed to the Irish public, namely, a LOCAL PROPRIETORY and a LOCAL DIRECTORY.

The Manchester and Liverpool District Bank was originated five years ago, by the subscription of £500,000 in fifty thousand shares of ten pounds each. The shares were allotted to a certain number of towns—the residents of each town were first accommodated with shares—the whole of the shares were quickly taken up—directors were elected in each town from amongst the resident shareholders.

These directors give their attendance at the branch office each day for one or two hours during business, without any personal charge to the company; a single clerk, with the assistance of the directors, (except in the larger branches,) conducts the whole business of the branch. The directors, living on the spot, know almost every character in the town and the districts surrounding.

They have now been five years at work—they have not yet lost by a bad debt a single shilling!

Their ten pound shares are now sold freely at £17 5s. and £17 10s. each, thus nearly doubling their money in five years, and dividing annually six and seven per cent., whilst the majority of the shareholders are men of a secondary commercial class.

In pursuance of this example another great banking company was formed in January last, in Manchester, which is to embrace within its range a greater field than the foregoing; this is denominated **THE NORTHERN AND CENTRAL BANK OF ENGLAND**. It is based on fifty thousand shares of ten pounds, allotted to thirty-seven leading towns, including Birmingham, Leeds, Macclesfield, Manchester, Liverpool, Chester, Nottingham, Sheffield, Bristol, &c. Its paper is in circulation to the amount of many hundred thousands; its branches are gradually opening; its shares, of which but five pounds on each are yet called in, bear a premium in the market of £1 6s. 8d. a share, or the profit arising to any shareholder now selling twenty shares, for which he paid £100 down, would be £27, although the bank has been but five months in existence. This bank is perhaps the most extraordinary instance on record of complete and immediate success; yet this bank ranks within its shareholders, working artizans, as well as the more wealthy class of traders and shopkeepers.

Enough has been said, to convince the most timid, the most prejudiced, that the system is admirably fitted for Ireland; that it must be safe, and that it will be certainly and eminently successful. With one authority more we shall have done:

“The trade of banking is of such a nature, that it is scarcely possible for any but a very numerous body of partners to furnish a capital sufficiently large for carrying it on advantageously to the public. A single individual, or a few individuals, cannot be but very rarely possessed of that amount of capital which alone can render this trade a safe one; for this reason: in order to establish in a country a sound system of banking, it is indispensably necessary, that care should be taken not to impose any legislative restrictions in the way of large bodies associating together, to form joint-stock banking companies.”—SIR HENRY PARNELL.