

*Out-door Relief to Orphans with Widows, where there are TWO\* Legitimate Children dependent on Widows under Irish Poor Relief Extension Act, 1847.*

Year.	Orphans.	Widows.	Total.
1857	86	34	120
1858	174	79	253
1859	144	53	197
1860	274	87	361
1861	513	175	688
1862	752	283	1,035
1863	1,170	414	1,584
1864	1,453	486	1,939
1865	1,947	606	2,353
1866	2,075	696	2,771
1867	2,564	920	3,484
1868	3,323	1,075	4,398
1869	3,731	1,157	4,888
1870	3,862	1,183	5,045
1871	4,469	1,360	5,829
1872	4,884	1,463	6,347
1873	5,613	1,684	7,297
1874	5,479	1,626	7,105

\* While guardians in England are allowed to give out-door relief to a widow with one legitimate child dependent upon her, in Ireland, under an *Imperial statute* of 1847 (10 Victoria, c. 31, s. 1), a different rule is forced on Irish guardians; and if by death, or by the children being otherwise provided for, there should be only one dependent upon her, Irish guardians can then only grant relief in a workhouse.

VI.—*On the Extension of the Laws of Pawnbroking now in force in Great Britain to Ireland.* By W. Neilson Hancock, LL.D.

[Read, 30th May, 1876.]

IN 1870 a Select Committee of the House of Commons was appointed to inquire into the state of the laws affecting the Pawnbroking trade, with a view to their consolidation and amendment. The Committee was re-appointed in 1871, and made a report, which led to the "Pawnbrokers' Act, 1872."

Upon the general question of pawnbroking laws, they say:—

"Before considering the evidence taken by the Committee in the last session, on the subject referred to your Committee, and already reported to the House, they would observe that the laws relating to pawnbrokers originated in a policy which has long ceased to be recognized or enforced in this country. For centuries Parliament undertook to regulate the profit to be allowed for the loan of money, as well as the dealings in many branches of trade."

The Committee thus trace the history of English laws of Pawnbroking down to 1800 :—

“After several other statutes had been from time to time passed, a general Act was passed in 1800, the 39 and 40 Geo. III., c. 99, by which the rates to be charged by pawnbrokers were more precisely defined, and numerous provision made for regulating the trade, which will be subsequently noticed in detail, with the Acts since passed to amend the general Act in some particulars.”

It thus appears that up to 1872 the laws of pawnbroking in Great Britain existed mainly on this old Act of 1800. As to Ireland, the Committee say :—

“The Acts, above noticed, for the most part only extend to Great Britain, as the trade of pawnbroking in Ireland has been regulated by two statutes passed by the Irish Parliament before the Union—in 1786 and 1788. Their operation was inquired into, both by the Commissioners appointed to inquire into Municipal Corporations in Ireland in 1835, and by the Commissioners appointed to inquire into the state of the Poor-laws about the same time. An investigation into the laws and regulations which affect the trade of Pawnbroking in Ireland, was also made by a Select Committee in 1838, who reported that the statutes had failed to attain the object sought by those who framed them.”

The Committee then notice the subsequent inquiry into the Irish Pawnbroking laws in 1868, and say :—

“Your Committee have therefore deemed it unnecessary to carry on any investigation into the operation and effect of the Pawnbroking Acts in Ireland, and confine their report to Great Britain.”

The Committee then proceed to deal with the reforms they recommend :—

- (1) Freedom of contract above forty shillings.
- (2) Simplification of laws as to sums below that amount.
- (3) Abolition of restrictions in the hours of trading.
- (4) Reduction of the tax on pawnbrokers.

*As to Freedom of Contract.*

Upon this subject the Committee report :—

“It appears to your Committee, that while all persons are free to buy and sell goods, and to lend money upon them upon such terms as they may mutually think best, subject to the general provisions of the law, any restraint upon the business of pawnbroking should be kept within the narrowest limits which the necessity of the case may demand. Your Committee regret to think that from the necessitous, as also the reckless and improvident habits of considerable numbers of the people, it is desirable that the small advances which they obtain from pawnbrokers should still be regulated by statute, so that they may not be subject to imposition from not knowing or sufficiently understanding the conditions under which their goods are pledged ; but as this reason does not extend to transactions of considerable amount, there is now no reason for interfering with the freedom of contract in such dealings. It is not easy to determine the sum at which freedom of contract should take the place of statutory regulation ; but your Committee are of opinion that the limit should not exceed a loan of £2, and that all dealings above that amount should be left to the discretion of the parties. As, however, the public have long been accustomed to consider the business of pawnbroking regulated by law to the extent of £10, your Committee would recommend that where no special contract is made, the law relating to dealings under £2 should be the measure of the implied contract between the parties, and govern the transaction.”

The Committee have thus adopted, between £2 and £10, the system of implied contract and special contract which in 1868 I ventured to recommend ; and they have thus, by giving that system a fair trial, laid the foundation of further legislation in the direction of complete freedom.

*Simplification of the Law.*

The Committee recommend a simple scale of rates, and add :—

“ These rates, together with the rules for forfeiting, selling, and accounting for the pledges, should be compressed in a convenient form as a statutory schedule, which should be printed upon the duplicate, for all advances under forty shillings, and also for advances above that amount when no other contract is made.”

This recommendation is carried out in the Act of 1872, and the pawn-ticket in Great Britain thus contains at a glance all the poor person requires to know as to the scale of charges and terms of redemption.

*Abolition of restriction on the hours of trading.*

Upon the restrictions on the hours of trading, the Committee report :—

“ It is also provided that the shops of pawnbrokers shall only be kept open during certain hours ; but when persons possessed of property, of which they have the free disposition, desire to borrow money on its security, and they find themselves prevented by law from availing themselves of the pawnbrokers' shops, it is found that they will not submit to any prohibition against obtaining elsewhere the money they require, and there is no doubt the law against leaving goods in deposit for small sums is systematically violated. Your Committee do not think it would be possible to enforce any law so much at variance with the ordinary idea of right on the part of the people to dispose of their own property. It is supposed that the present law affords some protection to the public against making away with goods unlawfully obtained, but your Committee are not satisfied that any such advantages result from the existing restrictions ; and they therefore recommend that all restrictions on keeping open pawnbrokers' shops should be repealed, and that they should be left to those principles of mutual interest and convenience of trader and customer which regulate the conduct of other tradesmen in keeping open their shops.”

In accordance with this recommendation, all restriction on the hours of pawnbrokers have been abolished in England, so far back as 1872 :—

*Reduction of the Tax on Pawnbrokers.*

On the subject of the tax on pawnbrokers, the Committee report :—

“ The licences granted to pawnbrokers by the Inland Revenue Commissioners are subject to a duty of £15 in London, and £7 10s. in the country. So long as the usury Acts were in force, and the pawnbroker enjoyed a statutory privilege of charging a rate of interest higher than that prescribed by law, there was some ground for compelling him to pay a considerable sum for a licence for his privileged trade ; but as that ground no longer exists, and he is now, on the contrary, subject to restraints to which other people are not liable, your Committee are of opinion that the charge for purposes of revenue should be reduced, and they would suggest a uniform duty not exceeding £7 10s., throughout the Kingdom.”

In accordance with this recommendation, the tax on pawnbrokers in London was reduced in 1872 from £15 to £7 10s. The Committee made some other recommendation, which it is not material to notice, and conclude their report with the following recommendation :—

“The Acts of which the chief defects have now been noticed are in such an unsatisfactory form, that they should be wholly repealed, and that one general law for the *United Kingdom* should be passed, regulating the business of pawnbroking, as suggested by this report ; and that another general law should be passed regulating the summary jurisdiction of justices respecting the illegal disposition of the several classes of goods for which special provision is now made in the Pawnbrokers' Acts and Metropolitan and other Police Acts.”

This recommendation of complete assimilation, taken by itself, is misleading, as in an earlier part of their report they have introduced the passages :—

“Your Committee have therefore deemed it unnecessary to carry on any investigation into the operation and effect of the Pawnbroking Acts in Ireland, and confine their report to Great Britain.”

This qualification was acted upon in the Legislation of 1872 ; and though the first section provides that this Act may be cited as the “Pawnbrokers' Act, 1872,” the second section provides “that the Act shall not extend to Ireland.”

*Effect of the non-extension to Ireland of the “Pawnbrokers' Act of 1872.”*

The first and most material effect of the non-extension to Ireland of the “Pawnbrokers' Act of 1872,” is that while the tax on pawnbrokers in London was reduced from £15 a-year to £7 10s.—the scale for the rest of Great Britain—the tax on pawnbrokers in Dublin of £99 18s. 1¾d. a-year was not reduced. The tax in Dublin still exceeds the £7 10s. in the rest of Ireland, and of the United Kingdom by the old tax of the Irish Parliament of £92 6s. 1¾d., equal to £100 Irish currency.

It might be supposed that this was a question that affected only a few individuals ; but those who have complained of this tax urge that it is really a burden on people who pawn ; and this view of the incidence of the tax appears to me to be perfectly correct. A tax on the profits of every trade falls on capitalists, but a special tax on the capitalists in any particular trade falls on the customers by whom that trade is supported.

This old Irish tax creates a burden far beyond its amount, as every one commencing the trade, on however small a scale, has to pay the full tax at once. It is a serious impediment to beginners, and to those who wish to do business on a small scale, and thus it produces an artificial monopoly in favour of those who have an extensive or a long established business.

The effect of this and the other special taxes on pawnbrokers in Ireland, is to create a burden which has been estimated at £19,000 a-year, whilst the produce of the special tax for defraying the cost of the

metropolitan police was, at the date of the estimate, £5,000, and is now about £6,300 a-year. The tax thus far violates one of Adam Smith's maxims of taxation—that taxes should take out and keep out of the pockets of the people the smallest sum beyond what they bring into the treasury of the State.

The next effect of non-assimilation in 1872 relates to the part of Ireland outside the Dublin pawn district. The protection of the poor is there sought by a system of appraisement somewhat similar to what prevails in France—this system, introduced for all Ireland in 1786, was repealed for Dublin so early as 1788, in the rest of Ireland it has gone into a state of almost complete decay—the Grand Juries having in many counties long given up the appointment of appraisers; so that with regard to the greater part of Ireland there is no vested interest to stand in the way of an immediate extension of the British Pawnbroking Law to Ireland; and in the counties where there are still appraisers their interest is of a very slight amount.

In Dublin the vested interests have been reduced by restrictions on appointments in anticipation of legislation, and by the regulation that has so long prevailed—the profits of the nominal auctioneers, when the duty is discharged by deputy (so far as it exceeds their salaries for other duties), going, not to those officers, but in ease of a public rate.

Again, as to the hours of business: the remarks which the Select Committee of 1871 make as to the restrictions on hours being such as it was impossible to enforce in Great Britain; the Select Committee of 1838 made a similar report as to Ireland, and the very strict limits of *six* hours a-day in Winter—10 till 4, and *nine* hours from March to September—10 till 7, prescribed in 1788, must be very hard to observe. In Dublin they have been long since virtually changed by an arrangement between the pawnbrokers and the police for *eleven* hours throughout the year—8 till 7; and *fourteen* hours on Saturday—until 10.

When a reform so obvious has been so long delayed, there must be some difficulty in the way of its adoption. The difficulties I believe to be two in number:—(1) Determining the fund out of which the cost of the 66 Dublin Metropolitan Police now maintained out of the £6,300 a-year proceeds of pawnbrokers' licenses, is to be defrayed; and (2) Determining how the vested interests of appraisers, auctioneers, deputies, and the Registrar of Pawnbrokers and his clerks, are to be determined, and out of what fund they are to be compensated.

As to the first point. The Dublin Metropolitan Police District pays more out of the local rates for police than other towns in Ireland. This has arisen from its police being arranged on the London model, long before the Royal Irish Constabulary were placed completely under the central government in 1846, and the whole cost of a certain number of men defrayed entirely out of the general taxes. The Metropolitan District thus got no share of the men supplied without charge to local rates as a free quota. The number of these (without reference to subsequent modifications under Stat. 33 & 34 Vic.) are set out in the "Constabulary Act, 1865," as 10,006 consta-

bles and sub-constables, and the part of the county outside the Dublin Metropolitan Police District had, under that Act, no less than 231 free policemen; Belfast, 130; Cork, 100; Limerick, 80; Waterford, 70. The Dublin Metropolitan Police District thus appears to be overcharged for police, as compared with the rest of Ireland, though not as compared with England and Scotland.

The support of the portion of the Metropolitan Police force now maintained by the special tax on pawnbrokers would be most equitably provided for by allowing the district to share in the sum applied to the maintenance of the free quota of the Royal Irish Constabulary, to the extent of the support of 66 men, and reducing the quota throughout the rest of Ireland by that number.

The effect of this would be only an average reduction of about two men in each county, large and small; and in the present state of the country such a slight reduction in the quota would most likely be met by a reduction in the number of men, so that the abolition of the tax would involve no burden on either local rates or general taxes; if it did involve any slight charge between the date of transfer of 66 free quota from the rest of Ireland to the Metropolitan District and the reduction of constabulary likely to arise from the transfer, it would be only relieving the Metropolitan District, now paying 8d. in the pound local rates for police, from paying more at the expense of other districts in Ireland, which are now charged nothing or next to nothing for police.

The reform in this way would involve no charge on the general taxpayer, or on the English and Scotch, who now pay out of local rates a larger proportion for police than in Ireland.

For the compensation of the officers affected by the change, there is a precedent in the Dublin Vestry Cess Abolition Act. In that case the claims of the officers affected were all determined by local authority (the Town Council of Dublin), and when Vestry Cess was abolished, a new Vestry Cess Abolition Tax, having a somewhat similar incidence, was created, out of which the compensations were paid. This involves an occasional rate (once in four years) of 1d. in the pound, to meet the compensations; as they die out, the rate will cease.

The compensation in connexion with the pawnbroking taxes have already been reduced in various ways—by officers being appointed subject to changes to be introduced by Parliament, by others being appointed from year to year only. It is only necessary to leave the determination of their claims to the Irish Local Government Board, and to entrust that Board with the levy off the pawnbrokers, so far as they now pay the existing taxes, of a new "Pawnbrokers' Charges Abolition Tax," of the small amount that would be necessary to provide for the compensations. As the persons having these died off, the abolition tax would, like the Vestry Cess Abolition Tax, gradually diminish, and with the death of the last annuitant would become extinct.

The importance of the reform is not to be measured by the money involved; the very smallness of the amount makes it likely to be neglected unless those who happen to know of facts call attention to

it. Besides the benefit it would confer on the poor of Dublin in relieving them of about £19,000 a year burden, arising from taxation, it would relieve the county authorities from the dilemma of either reviving the obsolete monopoly of appraisers, or leaving the poor who pawn without the protection provided for the similar class in England and Scotland under the Act of 1872, and intended to be provided by the Irish Parliament in 1786.

It would also relieve the executive government from making appointments of auctioneers with an intimation that the system was so condemned that the officer must take his office subject to such changes as Parliament should introduce.

The monopoly of the other pawnbrokers' auctioneers in Dublin would also be terminated, and with them the doubtful arrangements by which the emoluments of the deputy and principal have been limited, and a local sanction given to the injurious system of discharging the duty of public officers by deputy.

It would, lastly, carry out the spirit, though not, as already shown, the letter of the report of the select committee of the laws of pawnbroking of 1871, which recommend "that there should be a general law for the United Kingdom for the regulation of the trade of pawnbroking."

From the returns made by Dublin charities during the past Winter, it appeared that the object of some of them was to lend money to the poor, and some of those who have written on charities in England, recommend such loans as one of the truest charities in cases of sudden and unforeseen distress.

The statistics of the charities, however, disclose that what individuals and even considerable societies can do in this way is after all extremely limited. It follows therefore, that the improvement of the laws that affect the trade of lending money to the poor according to the latest and best model, is calculated to have a much larger effect in relieving cases of sudden and urgent distress; and is a reform which falls within the class of social and legal reforms which have been so much promoted by this Society.

VII.—*Savings Banks as a State function developed by Charity Organisation.* By W. Neilson Hancock, LL.D.

[Read in the Section of Economic Science and Statistics, British Association, at Glasgow, September, 1876.]\*

It is commonly recognised that one of the most valuable institutions for encouraging prudence and self-denial amongst the poor is the system of Post Office Savings Banks, with its numerous offices open on every week-day for so many hours. The Post Office Savings Banks not only encourage the people in prudence and economy, but they are calculated to convey the soundest views as to the true principles of investment—a matter of the greatest importance at the present time.

\* This paper is printed at the cost of the author.