

OBJECTIONS

Upon the Part of the Bankers in Scotland to the Limitation of the re-issuing of the Notes of Bankers, proposed by the present Stamp Bill, and to the Duties on Bills of Exchange.

I. The proposed Limitation.

IN the Resolutions voted, upon which the Bill has been brought in, Notes under £ 20, issued by Bankers, are declared to be re-issuable only within three Years from their Date, and Notes above £ 20 are not to be re-issuable at all.

Such a Limitation will produce much Trouble and Inconvenience to the Banker, without much Benefit to the Revenue.

1. In place of having Notes completely ready to issue as they are required, the Date of each Note must be filled up, not only in the Note itself, but in the Check which is kept at the Time the Note is first issued. After the Elapse of three Years, the Notes which return upon the Banker each Day must be carefully inspected, to prevent the re-issuing of a Note beyond its Term. When it is considered that the Number of small Notes in Circulation in Scotland is about a Million and a Half, and the Number of Banking Companies only twenty-two, it is obvious that the Trouble and Inconvenience attending these Operations must be immense; and, with all the Care that can be taken, a Banker is liable to the Accident of a Note being re-issued which is not re-issuable, and thus being subjected to the Penalty attached to the Offence, and to the Suspicion of improper Intention.

This Trouble and Inconvenience, though it will be considerable in England, will be there felt as comparatively trifling to what will be experienced in Scotland. The Amount of £ 1 and £ 2 Notes of the Bank of England is about one-fifth of the Amount of the whole Circulation of the Bank. The Amount of such Notes issued by private Bankers may, perhaps, be somewhat more, but certainly is not equal to one-fourth of the Amount of their Circulation. But, in Scotland, the Case is reversed; £ 1 and £ 1. 1s. Notes compose three-fourths of the total Circulation; the Trouble and Inconvenience in Scotland, therefore, will be at least as four to one, compared



pared to *England*; and the Expence will not only be in the same Proportion, but will be increased in a still greater Degree by the Expence attending the making a small Note, which is nearly as great as that attending a large one, upon which too the Duty falls much more lightly than upon a small one.

There is another Reason why Bankers in *England* do not object to the Limitation, namely, that the Alteration of the Stamp Duty on Notes payable at two Places will lessen the total Amount of the Stamp Duties payable by them. The greater Number of Notes in *England* were wont to be drawn payable at two Places, namely, at the Place where issued, and in *London*; and the Stamp Duty upon such Notes is at present double the Amount of the Duty upon Notes payable at one Place only. But by the Resolutions voted it is proposed to make no Difference between the Duty upon Notes payable at two Places, and Notes payable at one Place. The Duty at present payable upon Notes of from 2*l.* 2*s.* to 5*l.* 5*s.* payable at two Places, is 1*s.*; and from 5*l.* 5*s.* to 20*l.* is 2*s.*. But the Duty upon the former is henceforth to be only 9*d.*, and upon the latter only 1*s.*; thereby diminishing the Duty upon the former one Fourth, and upon the latter one Half: so that unless the Notes now payable at one Place exceed the Number of Notes payable in two Places, the proposed Alteration, so far from being an Addition to, will be a Diminution of, the Stamp Duty payable by Bankers in *England* upon their Notes. The Bankers in *Scotland* do not object to the Diminution of the Duty upon Notes payable at two Places; but it is obvious that the proposed Duties, which impose a heavy additional Burden in *Scotland*, where Notes payable at two Places are unknown, lighten the Burdens of the Bankers in *England* in a very great Degree, and serve to account for their making no Objection to the proposed Limitation.

2. Notes may or may not return upon the Bankers by whom they are issued, immediately after the Expiration of three Years from their Date; but the Banker is in Uncertainty whether they will or will not return, and has no certain Data by which he can regulate the Provision in new Notes he is to make for them. Individuals through whose Hands they may have passed some Time after the Period beyond which they cease to be re-issuable, may not distinguish between their Circulation and their Re-issuability (much less Causes of Misapprehension have produced Runs upon Bankers), and the whole Notes of a Banker in Circulation, as well those within the Period of three Years as beyond it, may be poured in upon him, from the Mistrust or Misapprehension excited by those having Notes of his more than three Years old in their Possession.

It

It appears to the Bankers in *Scotland* impolitic to put the Paper Circulation of the Country in a Situation where that Confidence may be destroyed upon which its Credit and Use depends; and it farther appears to them unreasonable to subject them to great Trouble and Inconvenience, without any proportionate Benefit to the Revenue, to be produced by the Limitation.

The Additional Revenue to be derived from the Limitation must be very small. The Limitation is equal to the average Endurance of their Notes, and, as they are informed, beyond that of Notes in *England*; and the Revenue to be derived from the Limitation can only be equal to the Duty upon these Notes, which might have lasted beyond three Years. This additional Revenue, though it can be of small Importance to the Public, will be severely felt by the *Scottish* Bankers, because to the Amount of the Duty is to be added the Expence of making the Note, which amounts to Two pence upon each Note; and the Bankers in *Scotland* do with Confidence assert, that the proposed Duty is fully as much as the small Notes can possibly bear. They are apprehensive that the Effect of the Duty alone will diminish the Circulation; but they are certain that if the Limitation shall also be adopted, the Circulation of the small Notes will be diminished in a great Degree, to the incalculable Distress of the Country, by preventing the Bankers from giving the Assistance they have hitherto done to its Industry; and to the Loss of the Revenue, not only in the Stamps ceased to be made Use of, but in all the other Sources of Revenue produced by that Industry.

It has been said that when Notes are much worn, it is impossible to distinguish whether the proper Stamp has been affixed upon them. Supposing this to be the Case, the Bankers are at a Loss to see its Application to the Matter in Question. It cannot be supposed that any Banker forges the Stamp; nor would the Limitation prevent him, if it were possible to suppose him capable of it. If it is conceived to be a Matter of Importance that it should be apparent as long as the Note lasts to the Officers at the Stamp Office, and to all the World, that a proper Stamp has been affixed upon it, there can be no great Difficulty in contriving a Stamp with Ink of a particular Colour, which will endure as long as the

Note.

Finally, the Bankers conceive it to be the worst Method possible of increasing the Produce of a Tax, to derange the Business of Individuals, and to give them unnecessary Vexation and Trouble. They are willing to pay the utmost Sum of Duty which their Notes are able to bear: They wish that the Banks should be permitted to furnish the Officers at the Stamp Office with the Ink of a particular Colour, which will endure as long as the

believe the proposed Duty to be more than their Notes can bear, but are willing to submit to it, because an Addition is conceived to be necessary, and a due Proportion of Duty must be preferred between the large and the small Note, though it will fall very heavily upon the latter: but they deprecate any Limitation to the re-issuing of their Notes, and trust that it will be abandoned.

H. Bills of Exchange.

In regard to Bills of Exchange, they beg leave to state, that in Scotland Sums under 200*l.* will not bear any Addition of Duty. So far as Bankers are concerned, they are Losers in drawing them: as, for Instance, the Par between *Edinburgh* and *London* being twenty Days in Favour of the Banker, the present Stamp of 1*s.* upon a Bill of 20*l.* is, at the Rate of four *per Cent.*, equal to twenty-four Days;—of 1*s.* 6*d.* upon 40*l.*, is equal to seventeen Days;—of 2*s.* upon 70*l.*, is equal to thirteen Days;—of 3*s.* upon 150*l.* is equal to nine Days; thereby increasing the Expence of the Banker, which he has it not in his Power to throw upon the Public, because the Rate of Exchange between two Places in the same Country cannot exceed the Expence and Risk of sending Money from the one Place to the other.

The *Scotch* Bankers therefore beg leave to state, that there should be no Addition to the present Duties upon Bills of Exchange under 200*l.*; and in Regard to larger Sums, they think that Bills from 200*l.* to 500*l.* may afford 5*s.* as proposed by the Resolutions; but upon Bills from 500*l.* to 1000*l.* the Stamp Duty should not exceed 6*s.*; and for all Sums above 1000*l.* the Stamp Duty should not be more than 8*s.*; because it is the Profit upon the larger Bills of Exchange which enables the Bankers to bear the Loss upon the small; and if this Profit is taken away, or too much diminished, they must cease to draw the small Bills altogether, to the great Inconvenience of the Country.

0501

1000	8	0	0
500	6	0	0
200	5	0	0
100	4	0	0
50	3	0	0
20	2	0	0
10	1	0	0
5	0	6	0
2	0	3	0
1	0	0	6

(6)

SUMMARY.

I. BANKERS' NOTES.	Duties proposed in the Regulations.	Duties proposed by the Bankers.
Promissory Note or other Note for the Payment of Money to the Bearer on Demand (which may, within Three Years after the Date thereof, but not at a later Period, be re-issued from Time to Time after Payment, at any Place) where the Sum expressed therein or made payable, thereby shall not exceed 1/1. 1s.	0 0 3	
For the like Payment and re-issuable within the like Period and in like Manner, where the Sum shall exceed 1/1. 1s. and shall not exceed 2/2. 2s.	0 0 6	Duties as proposed by the Regulations, but no Limitation.
For the like Payment and re-issuable within the like Period and in like Manner, where the Sum shall exceed 2/2. 2s. and shall not exceed 5/1. 5s.	0 0 9	N.B. Notes of 100/1. to be allowed to be re-issuable with a Stamp of 5s.
For the like Payment, where the Sum shall exceed 5/1. 5s., and not exceed 30/1.	0 1 6	0 1 0
For the like Payment, where the Sum shall exceed 30/1, and not exceed 50/1.	0 2 0	0 1 6 } Present Duty and no In-crease.
For the like Payment, where the Sum shall exceed 50/1, and not exceed 100/1.	0 3 0	0 2 0
For the like Payment, where the Sum shall exceed 100/1, and not exceed 200/1.	0 4 0	0 3 0
For the like Payment, where the Sum shall exceed 200/1, and not exceed 500/1.	0 5 0	Agreed to.
For the like Payment, where the Sum shall exceed 500/1, and not exceed 1000/1.	0 7 6	0 6 0 only.
For the like Payment, where the Sum shall exceed 1000/1.	0 10 0	0 8 0 only.

2058

OBJECTIONS

Upon the Part of the Bankers in *Scotland*
to the Limitation of the re-issuing of the
Notes of Bankers, proposed by the pre-
sent Stamp Bill, and to the Duties on
Bills of Exchange.

1804.