

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. <i>1265</i>	<u>Press</u> <u>Mis.</u>
Dated <i>23rd September 1859.</i>	

Not to be folded or roughly handled

1265

*Proceedings of the Madras Government, Revenue Department,
from 17th to 23d September 1859.*

No. 1. Read the following letter from J. A. CRAWFORD, Esq., Superintendent of Stamps, to the Junior Secretary to the Board of Revenue, dated Fort William, 11th August 1859, No. 325.

I beg to acknowledge the receipt of your letter of 2nd instant, No. 780, with its enclosures and in obedience to the orders of the Board of Revenue, I have the honor to submit a report on the Bill to consolidate and amend the Law relating to Stamp duties.

1 of 1 Anna.	1 of 12 Annas.	2. On the 4th instant, I put myself in communication with the Mint Master with a view to having the following new value pieces, engraved as speedily as possible, so as to complete the scale required by Act 4 of Schedule A. I have already received from the Mint one Die of each of the four values marked with an asterisk.
1 of 2 "	* 2 of Rupees $\frac{1}{2}$ As.	
* 2 of 3 "	1 of Rupees 2 As. 4	
1 of 4 "	1 of Rupees 3	
* 2 of 6 "	1 of " 18	
1 of 8 "	1 of " 24	
* 2 of 9 "		

3. The above list will give the values up to Rupees $\frac{1}{2}$ in duplicate and hereafter if need be, duplicates of the higher values can be ordered.

4. Mr. Arthur the Engineer of the Stamp Office some time back made a drawing of a Machine, which appears to me, to be admirably adapted for impressing Stamps, so long as only the plain white Stamp, and not a colored one, is required. He has shown the drawings of the Machine to Messrs. Jessop and Co., and to Mr. Nelson of Howrah. The former make a rough calculation of Rupees 1,200 as the cost of Manufacturing the Machine, the latter's estimate is Rupees 1000. Mr. Arthur says that Mr. Nelson is equally as capable of doing the work as Messrs. Jessop and Co.

5. The action of Mr. Arthur's Machine is the same as that of the small Stamping Machine, viz. vertical. But the working of it is much less complex and it will be much easier to repair, in the event of the occurrence of any casualty.

6. I beg to forward a sheet of the "Government Bill of Exchange Paper." If by the word "Hoondies" is to be understood Native Bills of Exchange, I do not think this paper will answer. It is too thick to recommend itself to the use of Mahajuns and Native dealers. I also enclose a sheet of paper similar to that used by Natives for Hoondies, I believe any quantity of this paper could be obtained in the Bazar.

7. If the thin paper, I now enclose be approved of, I would suggest that each sheet should contain 6 Hoondies; that is, that if Hoondie forms are to be kept on hand for sale, one sheet of this paper shall have (6) six, one anna Stamps on it. It is, I submit desirable that the Natives should have to use a reasonable size of paper, for their drafts, &c. instead of the absurd scraps on which their Hoondies are at present written.

8. Of the Government Bill of Exchange Paper (which will I presume be used for English Bills of Exchange,) there are in store 1,63,755 sheets, which at 4 Bills to a sheet are equal to 6,55,020 Bills. Six lacs of Bills again are equivalent to 2 year's consumption, so that if the use of this paper is determined on, there is ample stock to commence with. Intimation should however be given to the Home authorities for this speedy Manufacture and dispatch of a further stock, the words "Government of India" being substituted in the water-mark, for the "East India Company."

9. With regard to one anna Postage labels, it is impossible for me to say what amount is in store at the Post Offices throughout the Country, as no returns of Postage stamps are made to my Office by Post Masters. The amount however can be but small and cannot affect a calculation as to the stock sufficient to meet any probable demand.

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10. The stock of one anna labels in store in the district Treasuries of Bengal and it's dependencies is greatly in excess of any probable demand, as will be seen at a single glance.

In store in district Collectorates.	
Punjab.....	2,35,085.
North West Provinces.....	4,39,227.
Bengal.....	2,55,872.
Oude.....	53,460.
Pegu.....	64,649.
	<u>10,48,293.</u>
In the Stamp Office Calcutta.....	1,40,45,120.
	<u>1,50,93,413.</u>
Expenditure of Bengal and dependencies.	
.....	18,54,022.
Madras say $\frac{1}{2}$	9,27,011.
Bombay $\frac{1}{2}$	6,18,007.
	<u>33,99,040.</u>
	<u>1,16,94,373.</u>

11. Supposing that a year's consumption of one anna labels were issued to meet the requirements of rent and other receipts these would still remain in round numbers 1,16,00,000 labels from which deducting two year's expenditure for the postage demands of Bengal and it's dependencies, there would remain over 96,00,000 of one anna labels.

12. I have carefully compared the old Schedules with the new, as Bills of Exchange under Regulation XII of 1826 and Act 4, Regulation X of 1829, are now dealt with in one consolidated Section, viz., Act 4 of Schedule A. of the new Bill, provision has been made for meeting all calls on this head by the completion of the shifting values.

13. In applying the provisions of the new Bill to Calcutta Stamps, I shall be obliged by being informed as to whether it is the intention of Government to continue the use of the cold steel Die now employed for Stamping Calcutta Stamps.

14. Before the Bicolor Stamping Machine came into use Calcutta Stamps for all above anna values were transferred to stone from Copper plates and Lithographed on to the water marked paper. On the introduction of the Bicolor Stamping Machine these Copper plates were put out of use and the cold steel Dies (which had been in use for Stamping papers under Schedule B. of Regulation X of 1829, commonly called Mofussil or Judicial Stamps) were substituted for use in Stamping Calcutta papers. These Dies are similar in size and in all other respects to the present Treasury Counter-stamp Die for Mofussil papers, save that they bear the words "Stamp Office" in lieu of the words "General Treasury."

15. The Machine by which these cold steel Dies are impressed on to the Calcutta papers as well as Dies themselves are a disgrace to an Office like the Stamp Office.

16. The Machine is very similar to a common letter copying machine on a much larger scale. It works with a horizontal lever giving a vertical action to a screw, which presses the Die on to the paper. The lever has then to be worked the reverse way before the paper can be removed. The whole affair is clumsy and antiquated and entails much waste of time. The Dies are uneven and require to be propped up with paper or other material, before they can be made level and an impression be taken.

17. I would recommend therefore that a second new Machine on Mr. Arthur's principle be ordered; to be placed especially at the call of the Calcutta Stamps. In asking for this I am asking for nothing new, for a reference to the letter of this Office, No. 715 of 26th May 1850, to the Secretary to the Board of Customs will shew the difficulties there were in working the Calcutta stamps in the old Machine; and, in consequence of this very letter, the present small stamping Machine was ordered from England for the express purpose of working the Stamping of Calcutta papers.

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18. This small Stamping Machine with another, will be taken up with Stamping Bills of Exchange a third will therefore be necessary for the Calcutta Stamps. The advantages of having another on Mr. Arthur's model will be apparent from the following Statements.

19. The Machine could be made with the same size "plunger or striker," which gives the blow that impresses the Stamp on the paper. To this same size plunger might be fixed a collar of the same size as that used with the other two Machines. The words on the rim of the collar being altered to "Calcutta Stamp Office." The collar being of the same size, the shifting values of the other collars could be used with it.

20. This would give these Machines in which the present shifting values could be used. It would be a matter of the rarest occurrence for all these Machines to be required to strike the same value simultaneously. However nothing would be easier than to get duplicates or triplicates of such values, as experience should prove to be very constantly in demand.

Rupees.	24	21. Again if the use of the cold steel Dies is retained, the following new
"	36	Dies will be required, whereas there could easily be engraved on some of
"	48	the spare shifting value pieces at the Mint and the expence of casting and
"	200	making the cold steel Die be saved.
"	400	

22. Again another advantage of having a Machine on Mr. Arthur's model for the Calcutta Stamps would be, that such a Machine could be set up in the Machine Room, and be worked by the Steam Engine, which has been indented for from home. The present cumbrous Machine is kept under lock and key in a godown on the ground floor. Each time a Calcutta paper arrives for the purpose of being Stamped, the godown is opened and the tedious process of Stamping the paper being over, it is again closed. It is not possible to have the godown opened, when it is situated so as to be out of my sight and the Engineer's. The present Machine too requires more space than I could give it in the Machine room and even if room were made for it there, it could not by any means be worked by Steam, and the sole object of recommending the use of Steam was the attainment of greater out turn of work, with greater economising of motive power and consequent economy of expenditure.

23. I consider therefore that the question of changing the Machine at present employed for Calcutta Stamps is an important one. I shall shortly have to make arrangements for the location of the Steam Engine and the position of the shaft from which all the Machines will have to be worked. It will be no more trouble in the first instance arranging for the situation of several Machines than of one, but the situation of a given number once settled, it might be a difficult matter to add an extra one. The difficulty too is greater than it appears to be on paper.

I now proceed to notice Schedule B.

24. The Board are aware that the papers used under this Schedule are impressed with the Bicolor Stamp. Belonging to these Bicolor Stamp Dies are 33 shifting value pieces from these 33 different values of paper are Stamped and are in issue. Five (5) of these values as will be observed are obliged to be passed more than once through the Machine.

25. When papers of these composite value are required, the out-turn of the Machine is diminished 50, and 66 per cent respectively, according as they have to be passed through it twice or thrice. This of course is a result to be avoided as much as possible, the great desideratum being to get the greatest possible out-turn of work with the least wear and tear.

26. This can however hardly be arrived at with the present graduated scale of plaints in Act 8 Schedule B. The scale is beautifully graduated but to work it properly 1000 shifting value pieces would be required, if each value of Stamp is to bear its corresponding value piece. When it is considered that each shifting value piece has its representative in Bengallee and Persian. A total of 3000 shifting value pieces would be required, the engraving of which would take an indefinite period, considering the limited number of Engravers at the Mint. There is but one remedy for this state of things that is for the Courts to allow suitors to file their plaints on more than one paper, if no paper of the exact value required is in issue.

27. By a reference to Act VIII Schedule B, of the new Bill and on a comparison of it with the values of Bicolor Stamp in issue, it will be seen that many values are wanting. I would propose that the following shifting value pieces should be supplied, Rupees 3, $3\frac{3}{8}$, $4\frac{1}{8}$, 5, 7, 9, 11, 13, 14, 15, 16, 17, 18, 19, 30, 35, 45, 55, 60, 65, 75, 85, 95, 300, 400, 500, 600, 700, 800, 900,

with these values allowed in addition to what I already have almost any plaint up to a Stamp of 1,000 Rupees might be filed on 2 papers except such values as 112/8, 117/8, 122/8, 127/8, and so on which would require three pieces of paper.

28. This would of course increase the number of the values of paper to be kept in the Stamp Office and in the district Collectories. A list could however be prepared and published shearing, the least number of papers of a smaller value which will represent a larger value of Stamp. For instance if a suitor had to file a plaint on paper of Rupees 165 that value could be represented by two papers of Rupees 100 and Rupees 65, it would however be immaterial whether he filed his plaint in these values or on 125 and 40 Rupees so long as he restricted himself to the use of only 2 papers.

29. In proceeding to notice the Bill generally I am at once reminded of necessity for the issue of some such orders as are recommended in the last paragraph of Section XVI of the new Bill concludes thus, "unless such document or writing shall be upon" a Stamp prescribed "as aforesaid and of a value not less than that indicated to be proper for it under Schedule." "B." It appears to me that the question is whether the words "a Stamp" mean a single Stamp of the value required. I am of opinion that every suitor should be obliged to file his plaint on a single piece of the necessary value unless such value be one not in issue or unless the Collector Certifies that such value is not in store: and in that event he should be obliged to file his plaint on as few papers as will make up the values.

30. I will put a case of not uncommon occurrence. A Moktar has to fill a plaint on a Stamp of Rupees 500. Under the present rules for the vend of Stamps discount is only allowed up to Stamps of Rupees 50 value. As a matter of course. No Stamp Vendors will ever hold in their possession a 500 Rupees paper. The Moktar in lieu of purchasing the 500 Rupees paper from the Collector direct goes to the Stamp Vendor—and offers to buy 10 papers of 50 Rupees each on condition that the Vendor shall allow him $\frac{1}{2}$ discount coupling his offer with the threat that unless his terms are agreed to, the necessary single paper will be purchased from the Collectorate. The Vendor rather than not sell at all waives half his profit and at 4 per cent, on 10 papers of 50, the Moktar gets 10 Rupees for himself. The paper of 500 Rupees in the Collectorate remains unsold.

31. I would therefore strongly urge on the notice of the Board the propriety of some enactment which would put an end to this collusion between Vendor and suitor or their Agents. This very question has, I believe, been brought to the notice of Government by Mr. F. Kemp the Judge of Zillah Backergunge.

32. Since I have been in receipt of the Board's letter now under acknowledgment. The Collector of Bhagalpore has written to me as follows:—

"The people sometimes use several Stamps of a small amount in preference to one for the full amount required by Law. In one case when a party instituted a Suit in the Civil Court instead of writing out his Petition on a Stamp paper of Rupees 500 value he preferred using

1 of	Rupees	250
3 of	50	150
2 of	40	80
2 of	10	20
		500

"These were Stamps of the full value in store in the office had the party applied for the same. I cannot account nor can I give you any reason for this eccentricity of the people in the matter of Stamps, but can only state that the above was the case, having had the Stamp paper in question produced before me."

In this case the Nuthee was burdened with 8 papers when one could have done as well and was procurable from the Collectorate.

33. I would also draw the attention of the Board with regard to a practice which has grown up respecting the exchange of soiled papers, which seems to me to be practically an evasion of the real intention and meaning of the Act.

34. The proviso of Clause 2, Section XXVIII is that "no such indulgence shall be granted when the value of the soiled stamps may not exceed 10 Rupees &c." This provision is allowed

to be worked thus a party spoils a 6 Rupees Stamp. The value of the spoilt Stamp to be exchanged must be not less than Rupees 10. He immediately spoils 2 good Stamps of 4 and 2 Rupees value and taking 3 spoilt papers of 12 Rupees aggregate value obtains fresh papers in exchange. I read the proviso to mean that each Stamp shall not be less than 10 Rupees in value, and I think this was the intention of the framers of the old Regulation XII of 1826 and X of 1829.

35. My attention was drawn to this when I took charge of the Stamp Office but on enquiry the practice seemed to have obtained so long, that it appeared hopeless to get it amended till some opportunity like the present, offered, of bringing it prominently to notice.

36. Again at present parties presenting spoilt Stamp papers for exchange can get any paper in exchange provided it does not exceed the value of the spoilt papers. I would submit that they are bound to take the identical values of paper which they have put in to be exchanged.

37. I see no provision made in the new Bill for the convenience of Merchants and others bringing their own papers to be Stamped. In the present Regulations there is a distinct provision, viz., in Section VII Regulation XII of 1826, and Section XI Regulation X of 1829, on one occasion since I have had charge of the Stamp Office Messrs. Jardine Skinner and Co., sent

in 10,000 papers to be impressed with a 2 annas Stamp. The total duty from this one source was 1,200 Rupees* viz., 1,250 less 4 per cent, discount, I would recommend the retention of

this convenience and trust some provision will be made for it when the Bills passes to a further stage of progress.

38. The low duty of one anna on Bills of exchange payable on demand will I fear be evaded by the great majority of Native Mahajons Shroffs. I have endeavoured together what information I could as to the feeling with which this duty is regarded by these classes. One Native's opinion was, "why do you trouble (dik) us with this tax? why do you tax only one class, the "class that deals in money? why dont you impose a tax that can be felt by every body. Put "a duty of one anna a maund on rice, every body must have rice. You will raise more duty and "at the same time the tax will fall on all classes suppose every Kotee trusts to the honor of its "constituents how will you get information of the evasion of duty and what will the duty bring "you."

39. The views of taxation enumerated above, are, of course contrary to the spirit of the age: but, they are the creed of the majority of Natives an opinion like the above, obtained in the course of common conversation with one of a class is oftener a truer index of the actual feelings of that class than similar information obtained by other and more studied means.

40. I beg to draw the attention of the Board to a very important omission in the Bill, viz., the absence of all mention of the Treasury Counterstamp either for Calcutta or Mofussil Stamp papers as provided for by Section V, Regulation XII, of 1826 and Section VI, Regulation X, of 1829. The cold Steel Die Counterstamp is in my opinion no safe guard in itself. For there are various contrivances by which an impression could be taken and a facsimili made. The real security to Government consists in the double counting which the papers undergo at the Treasury and the Check which is afforded by the double account kept in consequence. If the Treasury Counterstamp for Calcutta and Mofussil papers is retained, it will be necessary to supply new Counterstamp Dies of the values mentioned in paragraphs 21 and 27 of this letter.

41. I beg to annex a Statement the first column of which shows a list of the Mofussil cold Steel Dies made over for the use of the Calcutta Stamps on the introduction of the Bicolor Machine. The second column shews the list of Calcutta General Treasury Counterstamp Dies. The latter, it will be observed are much fewer in number, than the former and are smaller in size but they are all that were actually necessary under Act XII of 1826.

42. The difference in the values of the Dies at the disposal of my Office and of the General Treasury has some times caused an absurdity of proceeding in the Stamping of papers, which should now be done away with.

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It will be seen from column 2 of the Statements that the General Treasury has not any Die of the value of Rupees 2,000. My Office consequently is not able to use the Die of Rupees 2,000 for the Sub-Treasurer insists in the imposition of such Dies, of which he can put in the exact Counterpart for his Counterstamp. The consequence is that 8 Stamps of 250 each have to be put on in my Office, and the Sub-Treasurer also puts in 8 Stamps of 250 each:— That is, the paper is put 16 times into the Stamp Press, 8 times at each Office.

43. Such a paper as of Rupees 2,000 would only be required under Section VII, Act XII, of 1826. The same absurdity of proceeding attaches in a lesser degree to any less value of Stamp of which this Office has a Die, but which cannot be represented by a single General Treasury Counterstamp Die.

44. Though not strictly in my province I would urge on the attention of the Board the propriety of replacing the clumsy presses now used at the General Treasury with Stampings Machines on Mr. Arthur's Model:— which could be worked with collars and shifting values. They would take less space and be more workman like than those now in use there.

45. The introduction of the new Bill will give an opportunity of putting all the Machinery in the Stamp Office and General Treasury in a proper footing and the opportunity should not be lost.

46. I trust in conclusion that this report will be found by the Board to be submitted "in time." But for my state of health which has rendered even the perfunctory discharge of my duties, irksome to me it would have been submitted earlier.

No. 2. ORDER THEREON, 17th September 1859, No. 1255.

Ordered to be communicated to the Superintendent of Stamps in continuation of the orders of the 13th instant No. 1233, for any observations he may wish to offer.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Rev. Department

N^o 1255

Proceedings of the Madras Government

Under date the 17th September 1859.

*Read the following
letter from the Su-
perintendent of Stamps
at Calcutta to the
Junior Secretary to
the Board of Revenue.*

*Reporting on the Bill
to consolidate and amend
the Law relating to
stamp duties.*

*(Here enter it through 1259
at 325.)*

*Ordered to be
communicated to the
Superintendent of
Stamps in continuation
of the order of the 13th
instant No. 1233, for any
observations he may
wish to offer.*

*M. S. G. P.
To*

*The Superintendent
of Stamps
with High letter
D. S. P. 17*

[Signature]

Revenue 1853 & 1854
Sept 23 1854

No 1253.

Do: of the clearance
Government

Dated 19th September 1854

Can the present
Bill. Communicated
to the present of
Chambers

No 142.