M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1955 Press ~~Mis.~~

407-408

Dated 25-10-1860

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 25th October 1860.

No. 407. Read the following letter from H. NELSON, Esq., Chairman of the Chamber of Commerce, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 10th October 1860 :—

SIR,

1. I have the honor by desire of the Chamber of Commerce, to request that, the Madras Government will direct the attention of the Government of India to certain Clauses of the Stamp Acts No. 36 of 1860 and No. 40 of 1860.

2. Clause 7 of Act 36 provides that the duties imposed by this Act on Foreign Bills of Exchange shall be paid "on account of all Bills drawn *out* of the British Territories which shall be payable within those territories or shall be endorsed transferred or otherwise negotiated within those territories *wheresoever the same may be payable.*" Supposing the first of a set of Bills to be received from China drawn there, and payable in London, the Merchant receiving such Bill usually requires to negotiate it immediately. In that case there is no stamp provided by the Act. If it be said that he must wait the arrival of the second and third of the set, there will then be a great hardship, destructive to trade, and possibly ruinous to the owner of the Bill. Irrespective of a delay of weeks or perhaps months in arriving, the second and third or one of them may be lost or missent to a distant place. There is no requirement in the Act that these Bills be negotiated at one and the same time, Clause 10 which is referred to below, affecting only those bills drawn "within the British Territories in India."

3. Clause 10 enacts in its second part "that if any person shall within the British Territories in India transfer or negotiate any such Bills of Exchange *as aforesaid* purporting to be drawn in a set of three and shall not at the *same time* transfer or deliver *on paper duly stamped* as aforesaid the whole number of Bills which such Bill purports the set to consist of, every such person so offending in any such cases shall be liable to the penalty prescribed in Section 3 of this Act" &c. The words "as aforesaid" show that this Clause refers to Bills drawn in India and payable out of India. Supposing a Bill to be drawn in Madras on London and sent to Bombay for negotiation, then the person receiving it at Bombay must negotiate all the parts at "the same time" a restriction which will cause great delay and possibly damage. For, irrespective of loss of time pending the arrival in due course of the remainder of the set, these may be lost on the road, and *never* arrive. The very object for which Bills are drawn in sets is thus defeated, and duplicates and triplicates will be a source of danger instead of safety. It is proper that when Bills are drawn in parts these should travel singly, and not together ; but the effect of this Clause is to make them of no value unless they *are* together.

4. I am also desired to state that the Chamber is advised that letters of hypothecation for shipping documents of goods attached to Bills of Exchange require, under paragraph 41 of Schedule A, the same stamp as Promissory Notes. As these letters are usually taken in duplicate, the duty would be 12 Rupees upon the amount of Rupees 5,001 to that of Rupees 10,000, and this in addition to the stamps on the Bills of Exchange attached thereto. It is hoped that the Government of India will see fit to exempt these documents when they are attached to the Bills of Exchange to which they relate.

5. Clause 6 of Act 40 of 1860 imposes a stamp on all agreements to cultivate on which an advance is made. The stamp is at the same rate as for Bonds, on the amount advanced, and is therefore a considerable tax. The Chamber desires to express an opinion that this impost is highly impolitic, as it will be an obstacle to the employment of Capital in the cultivation of the soil, which it has hitherto been the avowed object of Government to encourage. It appears to be inconsistent with the outlay of large sums in improving road communications with the coast, and with the abolition of export duties, that a tax should be laid on cultivation before the seed is sown, and superadded to the charges on land already levied by Government.

6. I have the honor to request that you will move His Excellency the Governor in Council to forward this letter to the Government of India, with such support as he may see fit to accord to it.

Proceedings of the Madras Government, Revenue Department,
25th *October* 1860.

No. 408. ORDER THEREON, 25th October 1860, No. 1,955.

1. This letter dated 10th, but received only on the 18th October, contains representations on certain points of the new Stamp law, Acts 36 and 40 of 1860, which the Chamber of Commerce wish to be brought under the consideration of the Government of India. This Government will forward the letter as requested, but they will not express any opinion on the matter of it, further than to say that Act 36 seems to need some modification as respects Foreign Bills of exchange drawn in sets.

2. In one particular it appears to the Governor in Council that the Chamber has misunderstood the meaning of Act 36. The second part of the tenth Section of that Act appears to this Government to include all Bills "payable out of India," wherever drawn.

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

Ordered that the following letter be despatched.

No. 409. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, dated 25th October 1860, No. 1,956.

SIR,

1. Enclosed is a copy of a letter addressed to this Government for transmission to the Government of India containing representations on certain points of the new Stamp law, Acts 36 and 40 of 1860. This Government forward the letter as requested, but they do not consider it necessary to express any opinion on the matter of it, further than to say that Act 36 seems to need some modification as respects Foreign Bills of Exchange drawn in sets.

2. In one particular it appears to the Governor in Council that the Chamber has misunderstood the meaning of Act 36. The second part of the tenth Section of that Act appears to this Government to include all Bills "payable out of India," wherever drawn.

R. D.

No. 1955.

Proceedings of the Madras Government
Under date the 25th Octr. 1860.
Read the following letter
from the Chairman of the
Chamber of Commerce

Requests that the Madras Govt. may direct the attention of the Govt. of India to certain clauses of the Stamp Acts 36 & 40 of 1860.

(Here enter 10th Oct. 18th Oct.

This letter, dated 10th inst. received on the 18th inst., contains representations on certain points of the new Stamp laws, Acts 36 & 40 of 1860 which the Chamber of Commerce wish to be brought under the consideration of the Govt. of India. This Govt. will forward

P. A

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-quested, leaving they would not
express any opinion on the
matter of it, further than
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2.dly In one particular
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that the Chamber has
misunderstood the mean-
-ing of Act 36. The second
part of the tenth section
of that Act appears to
this

this Govt. to include all
Bills payable out of India,
wherever drawn. —

[signature]

1 Copy to the Chamber of Commerce Calcutta
" Boards of Customs &c
" Govt of India

Bills drawn out of
India, if negotiated or paid
in India, are expressly made
subject to Stamps - See Sections
2, 7, 8, 9 — [illegible]
[illegible]

R. D. –

No. 1956

To The Secretary to the
Government of India –

Sir,

Enclosed is a copy of a letter addressed to this Govt. for transmission to the Govt. of India containing representations on certain points of the new Stamp law, Acts 36 and 40 of 1860 – This Govt. forward the letter as requested, but they do not consider it necessary to express any opinion on the matter of it, further than to say that Act 36

seems

1 Collect Dist. 26

1860 Revenue 1860 October 4 Govt. for October

No. 1956

No. of the Weekly Govt.

Dated 25th October 1860

From the Collr. of Malabar 2nd Div. Dated 20 Oct. 1860 in Rep. Rs. 1,59,087

From Govt. Fort St. George Dated 30th Oct. 1860

Covering that the letter from the Chamber of Commerce on certain points of the new stamp law, will be forwarded to the Govt. of India –

No. 20/1408

From the Secy. to Govt. to the Secy. to the Govt. of India

Recommended

orders, &c.

to the Govt. of

Collr. 20 Oct. Rep. 20 Oct. 1860 1225

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-fication as respects Foreign
Bills of Exchange drawn
in sets.—

2ly. In one particular
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meaning of Act 36. The
second part of the tenth
section of that Act appears
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of India", wherever drawn.

Fort St. Geo:
25 Oct. 60.

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